

Hedge Against Falling Dollar

Gold a Hot Commodity in Middle East

JEDDAH, Saudi Arabia, Oct. 29 (AP) — "How much is that one?" The wife of an African diplomat pointed to a heavy gold armband in a shop in Jeddah's Badou Souk, the public market place.

The merchant placed it on his scales and weighed it, paying no attention to the quality of workmanship. It would cost 1,600 riyals, about \$507, he said. The woman left, saying she would look around for a better bargain.

But not everyone makes that decision. In fact, a gold rush is on in the Middle East, and it runs through the Arab and Persian markets — a hedge against the sinking value of the U.S. dollar, inflation and political uncertainty.

Buying gold is a tradition in this part of the world, but with the boom in oil, it is not just the sheikhs who are buying. Middle-class residents and foreigners working in the area are also in the market.

Much of the gold is sold in the form of bracelets and heavy necklaces.

The Chase Manhattan Bank's biweekly newsletter, *Mideast Markets*, said recently that the region — particularly the oil-rich states on the Gulf — "has become one of the world's hottest markets for gold."

"At least 300 tons — or about

one-fifth of the world market supply — found their way to the region last year," the newsletter said.

"Gold buying is nothing new to the Middle East," said a U.S. economist in Jeddah, one of the key markets. "It's been going on for thousands of years. The Bedouins didn't have banks, you know. Now, with much more money around, a lot more gold is being bought."

Little of the buying seems to be done by governments. But in recent months, with the continued decline of the U.S. dollar, brokers in the Gulf area have noted a change in attitude toward gold by Arab oil producers.

"Before they used to regard gold almost as a nonmonetary asset, but now they are realizing that it is a real asset to hold," said a foreign adviser to the government of the United Arab Emirates.

The private purchasers are not only the rich sheikhs whose agents are buying in Zurich, London, Hong Kong, New York and Bahrain as a hedge against the weakening dollar.

They also are Western technicians and foreign laborers — Filipinos, South Korean construction workers, and day laborers from Yemen and Egypt — who have been drawn to the region by the oil boom. There are about two million foreign workers in Gulf oil states.

"What with no booze, no nightclubs or movies, there's not a hell of a lot you can spend money on around here," the economist in Jeddah said explaining the gold fe-

ver among foreigners in this strict Moslem area.

The more well-heeled Saudi merchants travel to the island emirate of Bahrain with suitcases stuffed with riyals, according to a gold merchant in Manama, the emirate's capital.

The merchant said that some individual sales have run to as much as 220 pounds of gold worth more than \$700,000.

"Everywhere, gold buying is a hedge against a lack of confidence," said a Western diplomat in Riyadh, the Saudi capital. "In Iran, there is apprehension about the country's political stability. Elsewhere the concern is inflation and the falling dollar."

Last year, purchasers in Iran led the way, buying 72 metric tons of gold, a marked increase from the 6.5 tons recorded in 1973 before the five-fold hike in the price of crude oil.

Saudi Arabia, with a population of about 10 million, has 34 million riyals second with purchases of 45 tons in 1977. Kuwait, the United Arab Emirates, Bahrain and Jordan also have become active markets.

The price is relatively cheap, averaging about 23 Saudi riyals or \$6.98 a gram. This works out to \$217.70 an ounce, compared with a recent price of \$228 in London, a major gold-trading center.

Because of the weight system used, prices can run 40 to 50 percent cheaper than for comparable pieces of jewelry sold in Western Europe or the United States, shoppers here say.



Friends help an injured demonstrator in Bilbao after police fired tear gas and rubber bullets.

ETA Backers, Foes Demonstrate in Basque Country

BILBAO, Spain, Oct. 29 (AP) — Seventeen persons were arrested and five were injured in clashes with the police here yesterday evening during an anti-police rally by leftist supporters of the Basque separatist organization ETA, official sources said today.

Demonstrators barricaded streets in Bilbao's old quarter and hurled stones and Molotov cocktails at the police, who fired rubber bullets and smoke grenades to disperse them.

The police also broke up groups of demonstrators in San Sebastian and Pamplona, the provincial capital of Navarre. The police said they

defused a bomb planted in a Pamplona apartment building, and demonstrators sacked local premises of the Basque Nationalist Party in San Sebastian.

The attempted anti-police rallies by supporters of ETA were staged at the same time as tens of thousands of Basques marched through the center of Bilbao in the first anti-terrorist demonstration in the Basque country.

The march, called for by the nationalist party, was aimed at ETA, whose radical Marxist commandos have killed some 30 persons so far this year.

Sadat Decides Not to Recall Negotiators

(Continued from Page 1)

charges that he is ignoring the interests of the Palestinian inhabitants of the West Bank by moving toward a separate peace with Israel.

Egyptians Recalled

Increasing Egyptian concern over these developments resulted in the announcement by Prime Minister Mustapha Khalil Friday night in Cairo that the two senior Egyptian negotiators, Defense Minister Kamal Hassan Ali and acting Foreign Minister Boutros Ghali, were being summoned home for consultations.

Various sources connected with the talks gave this account of what happened next:

When the first word of Mr. Khalil's announcement reached Washington, the two Egyptians were in a meeting at the State Department with Secretary of State Cyrus Vance, who was trying to get the chief Israeli and Egyptian negotiators into new face-to-face talks. There had been a six-day pause while their two governments examined the draft treaty.

Mr. Vance immediately called Mr. Carter, who instructed the secretary to send Mr. Sadat a message on his behalf emphasizing the U.S. belief that it was important for the Egyptians to remain at the talks.

Mr. Hassan Ali also called Cairo and informed officials there that, in light of the talks that the Egyptian delegation heads had had with Mr. Vance Friday night, he believed that he and Mr. Ghali should stay.

Mr. Sadat's reply was relayed to Washington through the State Department early yesterday morning. During a campaign appearance in Buffalo later in the day, Mr. Carter described Mr. Sadat's response in this way:

"I contacted President Sadat last night [Friday] and said: 'Leave your negotiators in Washington.' He sent me word this morning: 'I will do what my friend Jimmy Carter asked me. They are going to stay there and negotiate.'"

Separate Visits

In the wake of the Egyptian change of course, Mr. Vance paid separate calls yesterday on the Egyptian and Israeli delegations at the Madison Hotel, where both are staying.

Sources connected with the negotiations said that the informal talks centered on proposed changes in

the draft treaty, with special emphasis on resolving the disputes about the West Bank linkage problem. The sources cautioned, however, that Mr. Vance's visit did not mean an immediate resumption of top-level bargaining between the Israelis and Egyptians.

Egypt, which is sensitive to concern in the Arab world that it not abandon the interests of the 1.1 million Palestinians in the West Bank and Gaza Strip, has insisted that the treaty contain a reference to the need to resolve the status of these areas.

Israel, citing the agreement at the Camp David summit meeting that these issues should be kept separate, has argued that the West Bank and Gaza Strip should be dealt with in another forum after the present talks with Egypt are concluded.

The draft treaty reached last Sunday contained compromise language that reportedly called attention to the West Bank problems without setting up an explicit legal tie to the Egyptian-Israeli peace agreement.

However, both the Sadat government and Mr. Begin's Cabinet have said that they want the compromise language amended further. The problem is that the Egyptians want to strengthen the linkage language, while the Israelis seek to weaken it.

Major Differences

After meeting with Mr. Vance Friday night, the Israeli foreign minister, Moshe Dayan, described the differences between the two

Controllers End Strike in Mexico

MEXICO CITY, Oct. 29 (UPI) — Mexico's 800 striking air controllers yesterday agreed to become government employees and end a 23-day walkout, which had sharply reduced flights and stranded thousands of passengers.

Antonio Jose Abimberhi, secretary-general of the air controllers union, said that the controllers would start returning to work during the weekend and that all flights should be normal by tomorrow.

The controllers struck after the private company for which they worked was disbanded by executive order and replaced by a state agency.

countries as "major" and said that they would take "a lot of goodwill" to resolve.

Although sources involved in the negotiations described yesterday's events as generally providing a basis for new optimism, there was one discordant note. It stemmed from the sharp public clash between U.S. and Israeli officials touched off by Israel's decision to expand its West Bank settlements.

At the time, Mr. Dayan and other Israeli officials criticized Harold Saunders, an assistant secretary of state, for statements that they characterized as undermining Israel's right to have its citizens live on the West Bank.

The attacks on Mr. Saunders are known to have caused anger within the State Department, and Mr. Vance took the unusual step of speaking out publicly in Mr. Saunders' defense. He issued a statement saying:

"I deplore the personal attacks on Assistant Secretary Harold Saunders in connection with his recent conversations in the Middle East. Mr. Saunders is an outstanding public servant who has had more than a decade of experience in dealing with the problems of the Middle East, and I have the utmost confidence in him."

Smith Claims Recognition

(Continued from Page 1)

government has pledged to do by Dec. 31.

Mr. Smith said today that he had had doubts that the elections could be held by the target date, for "purely mechanical reasons," and he added that the timetable might have to be lengthened by a few months.

"We were assured," he said, "once this is done [the senators] will be able to deliver the goods."

[The Rev. Ndabumgwe Sithole, a member of the interim Rhodesian government, flew to London today for talks with British Foreign Secretary David Owen. UPI reported.

He said on arrival that there "is no question" of anyone resigning from the interim government if independence is not reached by Dec. 31.]

Arab Ministers In Baghdad for Summit Meeting

BAGHDAD, Oct. 29 (AP) — Arab foreign ministers began to gather here today to prepare for a summit meeting called by Iraq to adopt a united Arab stand against the Camp David accords between Egypt and Israel.

Arab hardliners emphasized that they viewed the meeting on Thursday of heads of state as an anti-Camp David meeting. The preparatory meeting of foreign ministers opens Monday.

Farouk Kaddoumi, of the Palestine Liberation Organization, said here that Iraq's call came at a delicate juncture in the history of the Arab nation to face the Camp David "plot," forced upon the nation by imperialism and Zionism.

But the Saudi foreign minister, Prince Faisal, said yesterday that the kingdom viewed the meetings objective as the strengthening of Arab unity and not the isolation of Egypt. Egypt is the one Arab state that definitely will be absent from the talks.

News Analysis

Award Likely to Accent Sadat-Arab Differences

By Christopher S. Wren

CAIRO, Oct. 29 (NYT) — The conferral of the 1978 Nobel Peace Prize jointly on Egyptian President Anwar Sadat and Israeli Prime Minister Menachem Begin seems bound to accentuate the distance that has developed between Mr. Sadat and virtually the rest of the Arab world.

The joint honor comes at a time when Mr. Sadat needs fresh encouragement. Cairo has warned that a peace treaty is being jeopardized by Israel's latest contention that it will expand its settlements in the occupied West Bank and Gaza Strip. There is some hope here that Mr. Begin, in sharing the award, can be persuaded to become more conciliatory.

Mr. Sadat also is likely to face more vitriolic criticism next week from the Arab states, which have cast him as a traitor for dealing with Israel. He has pointedly been left off the invitation list to an Arab summit meeting in Baghdad that will discuss the accords that he and Mr. Begin struck at Camp David. At the least, the Arab summit meeting will point up Mr. Sadat's isolation from the other Arabs, since only the Sudan and Oman have come to his defense lately.

Letdown for Egyptians

The announcement of the award came as something of a letdown for the Egyptians, who considered Mr. Sadat far more deserving than Mr. Begin. Cairo radio and television held off reporting it for an hour and a half, and then quoted foreign news agency accounts without comment.

Some diplomatic analysts here have suspected that Mr. Sadat's tenacity in the face of nearly a year of frustrations was fueled partly by the hope that he would get the Nobel Prize. His nominations were highlighted in the Egyptian press. As long ago as during the Cairo preparatory conference last December, local merchants erected signs calling for the prize to be awarded to the president. Mr. Sadat has since accepted lesser honors but his eye, like that of the nation, has been on the Nobel Prize.

The inevitable consequence has been some bitterness in Cairo over the apparent belief that the Nobel Prize was given to encourage further efforts by the two leaders and not purely in recognition of the risks that Mr. Sadat took by going to Jerusalem last November and of his subsequent perseverance.

Obvious Parallel

Before Friday's announcement, some Cairo-based diplomats had discounted the possibility of a joint award to Mr. Sadat and Mr. Begin. They cited the obvious parallel of the Nobel Peace Prize that was conferred jointly in 1973 on Henry Kissinger, then U.S. secretary of state, and the North Vietnamese peace negotiator, Le Duc Tho, for working out a cease-fire in Vietnam that went sour less than two years later.

Mr. Sadat has become the first Arab to be awarded a Nobel Prize, but it is doubtful that this will help his image much in the Arab world because the award inextricably links him with Mr. Begin. Even some Arab moderates are likely to infer that this only confirms that Mr. Sadat has abandoned their ranks to pursue a separate peace with Israel.

Mr. Sadat's hand is more likely to be strengthened by the Israeli peace movement, which has been pressing Mr. Begin during the last year to be more flexible. The prize will undoubtedly add luster to the peacemaking image that Mr. Sadat has cultivated in the West, particularly in the United States.

Admiration at Home

The biggest dividend is that it should make Mr. Sadat politically more secure at home. Egyptians have heaped in the admiration that his startling trip to Israel last November elicited around the world. Yet the reception that the news initially appears to have gotten on the streets of Cairo is considerably more low-key than he had been the sole recipient.

Until recently, some Cairo officials supposed that Mr. Sadat could always backtrack by going before

the other Arabs and announcing that his peace efforts had failed because of Israel's lack of cooperation. The award, coming in advance of the Baghdad summit, presumably would end of any such alternative, though it was never in keeping with Mr. Sadat's character.

Tested, he has insisted upon breaking down what he called the "psychological barriers" and creating a new climate in the Middle East. Since Oslo gave the effort formal recognition, Mr. Sadat is likely to remain on his uncertain and often lonely road.

Begin Talks With Sadat

(Continued from Page 1)

Mr. Rubinstein had come to the garden with Mr. Begin, and as they were leaving, Mr. Begin told him of his conversation with Mr. Sadat.

"I told him," he said, "I told you at Ismailia, that the road to Stockholm leads through Beersheba."

Ismailia is where the two leaders met last Christmas. Mr. Begin, confused Stockholm with Oslo at the headquarters of the Nobel Peace Prize committee, and Beersheba is a city in southern Israel once mentioned as a possible site for peace talks.

"When I reminded him of that," Mr. Begin said, "he laughed and laughed."

Mr. Rubinstein asked him why he had not said Oslo.

"I thought it was Stockholm," the prime minister said. Mr. Rubinstein asked the prime minister if he was exhausted.

"You work day and night," Mr. Begin said, "but when you have the feeling of elation, you're not tired."

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Begin to Donate Prize

JERUSALEM, Oct. 29 (Reuters) — Prime Minister Begin said today that he would donate his share of the Nobel Peace Prize money — about \$82,000 — for scholarship to needy students and for aid to handicapped children. He told newsmen his wife, Aliza, had made the suggestion.

EEC Backs Africa Plan

(Continued from Page 1)

missions of Spain, Portugal, a Greece to membership in the several years.

Officials said that the "men" probably will be selected the Dec. 4-5 conference of Common Market heads of state government in Brussels. Mr. White, West Germany, now serves as president of the Common Market, will correlate proposals on committee's precise duties study by the foreign ministers Brussels on Nov. 21. These will include a decision on whether a committee should consider change in the 1957 Treaty of Rome, a founding document of the Common Market.

Panel May Be Enlarged

The officials also said that a committee may be increased four participants. West Germany reportedly proposed, without support from other countries, that the "wise men" could be the incumbent presidents of the European Commission, the Common Market's executive body; the European Parliament; the Common Market's council of ministers; and its economic and social council.

China Visit Postponed

NEW DELHI, Oct. 29 (UPI) — Foreign Minister Atal Bihari Vajpayee postponed his visit to China because of illness. India's External Affairs Ministry has announced The trip, would have been the first to China by an Indian Cabinet minister since the 1962 China-India war.

WEATHER

	C	F		C	F
ALABAMA	20	68	MIAMI	19	66
ALASKA	10	50	MILWAUKEE	14	57
AMSTERDAM	12	54	MINNEAPOLIS	13	55
ARIZONA	18	64	MOBILE	14	57
ATHENS	12	54	MOSCOW	13	55
BEIRUT	24	75	MUNICH	10	50
BELGRADE	11	52	NEW YORK	14	57
BOMBAY	24	75	NICE	14	57
BRUSSELS	12	54	OSLO	14	57
BUDAPEST	12	54	PARIS	14	57
CASABLANCA	22	72	PRAGUE	11	52
COPENHAGEN	14	57	ROME	17	63
COSTA DEL SOL	21	70	SOFIA	6	43
DUBLIN	14	57	STOCKHOLM	7	45
EDINBURGH	14	57	TEHRAN	24	75
FLORENCE	14	57	TEL AVIV	22	72
FRANKFURT	11	52	TOKYO	15	59
GENEVA	11	52	TURIN	15	59
HANKOW	4	39	VIENNA	12	54
HONG KONG	22	72	WARSAW	11	52
ISTANBUL	22	72	WASHINGTON	17	63
JAKARTA	28	82	ZURICH	13	55
JEDDAH	28	82			
JERUSALEM	18	64			
LOS ANGELES	18	64			

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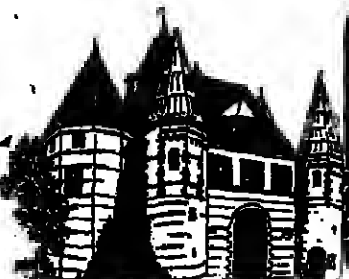
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47 Folders Missing

Court Is Told FBI Official Destroyed Break-In Files

By Ronald J. Ostrow

WASHINGTON, Oct. 29 — Robert Shackelford, former head of the FBI International Security Section, destroyed 47 file folders of material now being sought in the FBI break-in case, a federal court was told Friday.

The files bore such titles as "sur-reputious entries," "Weatherfug [Weatherman fugitives] — Policy," and "Chinese Communist Influence on the Domestic Subversive Movement."

The material is being sought by one of three former high FBI officials, indicted on conspiracy charges in connection with the break-ins. The allegedly illegal operations were conducted in the early 1970s as the FBI pressed its search for fugitive members of the Weatherman terrorist band. Trial of the former FBI officials is scheduled to start in January.

Justice Department officials said they have no plans to prosecute the now-retired Mr. Shackelford.

director for domestic intelligence, urged chief U.S. District Judge William Bryant to dismiss the case. To this end, Mr. Kennedy asked that Mr. Shackelford and William Gardner, former head of the Justice Department prosecutors in the case, be summoned for a hearing on destruction of the files.

Memo Barred Destruction

Mr. Shackelford could not be reached for comment, but sources familiar with the case said that he maintained that he did not see a May 28, 1976, memorandum from Stanley Pottinger, then assistant attorney general, and a June 1, 1976, teletype from then FBI Director Clarence Kelley, specifically barring destruction of material in the break-in investigation.

The telegram and memorandum bear notations showing that they were sent to all 59 domestic FBI field offices as well as to the FBI legal attaches in U.S. embassies around the world. But there is no indication that they were distributed at FBI headquarters in Washington.

The destruction took place between Aug. 19, 1976, when prosecutors first reviewed the Weatherman files, and October, 1976, when the prosecutors sought to re-examine the files.

"At that time, it was learned that some files that had been returned to IS-2 section chief Robert Shackelford," Francis Martin, one of the prosecutors, explained in a letter to Mr. Kennedy and other defense counsel, The letter, dated Aug. 17, was made public Friday.

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Discipline Unresolved

FBI Director William Webster has yet to resolve the question of whether to discipline about 68 agents involved in the break-ins, and Mr. Shackelford's departure from the FBI puts him beyond the reach of any administrative action.

It was disclosed June 21 that potentially crucial evidence in the break-in case had been destroyed after Justice Department prosecutors returned the material to the FBI. But the extent of the file destruction, and the apparent relevancy of the material to the case had not been revealed previously.

The incident came to light when Thomas Kennedy, lawyer for Edward Miller, former assistant FBI

Suits Probable

Although officials contend that they are convinced of the legality of the procedure, the plan is almost certain to be challenged. Suits are likely to question the authority of the president to impose such restrictions and that of the administration to decide that any would-be government bidder had violated the guidelines.

Strategists say that they have an attorney general's opinion arguing that the practice is legal. But insiders concede that the underpinnings are shaky. The legislation providing the "authority" for the new restrictions merely allows the government to act as "a prudent buyer."

There are many strong points on other aspects of the wage-price program. As officials point out, unlike previous plans, this one is not being superimposed on an overheated economy.

And in the minds of some observers, the most hopeful element of the plan is Mr. Carter's confirmation that he has accepted the advice of his senior economic aides by deciding to try to hold down federal spending next year.

But analysts note that no matter how elaborate and well-crafted the guidelines are, the wage-price program will not work unless Mr. Carter also rides hard on other inflationary government actions not covered in the program, such as huge agricultural set-aside programs and government health-care costs.

Analysts say that Mr. Carter not only must act aggressively in convincing the nation that he means business on his wage-price guidelines, but that he also must begin taking the inflation effort seriously in these other areas.



HUMPHREY-HAWKINS HANDSHAKE — President Carter looks on as Sen. Muriel Humphrey, D-Minn., shakes hands with Rep. Augustus Hawkins, D-Calif., after the presidential signing of the Humphrey-Hawkins bill, which for the first time stipulates a national goal for unemployment: a rate of 4 percent by 1983 and an inflation rate of 3 percent. Rep. Hawkins co-sponsored the bill with Sen. Humphrey's late husband, Sen. Hubert Humphrey.

News Analysis

Carter's 'Social Compact' Put to Test

By Art Pine

WASHINGTON, Oct. 29 — Can a European-style "social compact" work in today's complex U.S. economy?

That is the crux of the debate over President Carter's wage-price guidelines. Although the plan is more elaborate than any previous program short of controls, Mr. Carter essentially is proposing to strike a bargain among government, business and labor. The question is whether the trimmings will make this program more likely to work than those tried before.

There is little dispute that the guidelines are well-crafted. From a basic 7-percent wage guideline, Mr. Carter has evolved a complex price standard, calling generally for a half-percentage-point "deceleration" from 1976-77 price increases, with additions or further cutbacks depending on costs. And there is enough flexibility — in the right places — to avoid any crunch.

Cleverly, Mr. Carter has offered workers a tax rebate as "insurance" if the plan does not work.

Under the proposal, if inflation outpaces the 7-percent wage limit, workers who agreed to stay within the guidelines would get a tax credit or refund to offset their loss in real income. For business, Mr. Carter promised to hold down federal spending and the cost of government regulations.

Nothing Changed

The dilemma is that, except for providing a new framework, the plan does not change things for the major unions negotiating next year — the factor most essential to the success of the program. From their point of view, they are being asked to base their bargaining on hopes for an improvement next year rather than on what has happened this year. And analysts say that Mr. Carter's arithmetic is flawed.

The calculations work this way: The guidelines ask unions to hold contract settlements to 7 percent next year — not only basic wages, but also fringe benefits and cost-of-living increases. Mr. Carter maintains that this could help to hold

price increases to between 6 and 6.5 percent. And that would put workers one-half to one percentage point ahead.

If labor goes along, it will mark a turnabout in union bargaining practices. For one thing, the 6 to 6.5-percent inflation figure is only Mr. Carter's forecast; it is hardly a certainty. And most unions peg their wage demands to "catch up" with the previous year's inflation, not to match that of the current year, which is between 7.5 and 8 percent.

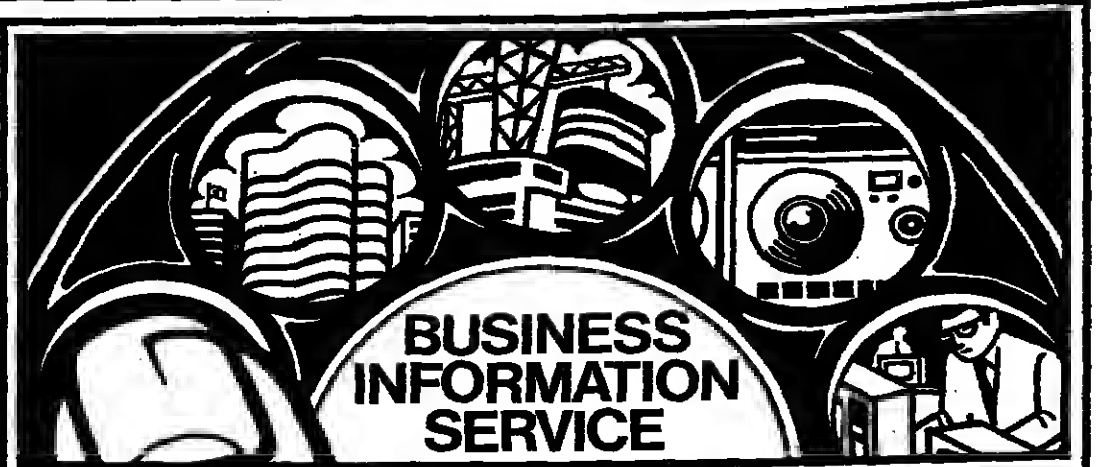
Even if Mr. Carter's forecast were to prove accurate, the one-half to one percentage point "real" wage boost still would leave labor way behind its usual gains. Ever since the Kennedy-Johnson wage-price guidelines of the 1960s, U.S. unions have calculated their wage demands to cover both inflation and a now-outdated 3.3-percent increase in productivity, which Mr. Carter's plan would deny.

Enforcement Questioned

The mathematics are more realistic on the administration's price standards, on which Mr. Carter has provided more flexibility. But analysts question how effectively the price guidelines can be enforced. Mr. Carter said last Tuesday that he planned to use a number of economic sanctions to pressure violators — from denying government contracts to lifting import curbs.

But analysts point out that, in practice, these sanctions will be difficult to yield. In the first place, the White House does not always have the clout to influence actions by other arms of government, say, in the case of urging independent regulatory agencies to refuse to allow businesses to pass on costly wage increases.

Second, the opportunities to use these sanctions will not always correspond with the administration's needs. The White House may have a clear shot at refiguring the Davis-Bacon Act requirements for affecting construction wages, for example, but the real problem may lie in some other sector. So the options of the administration will be limited, even if they work out.



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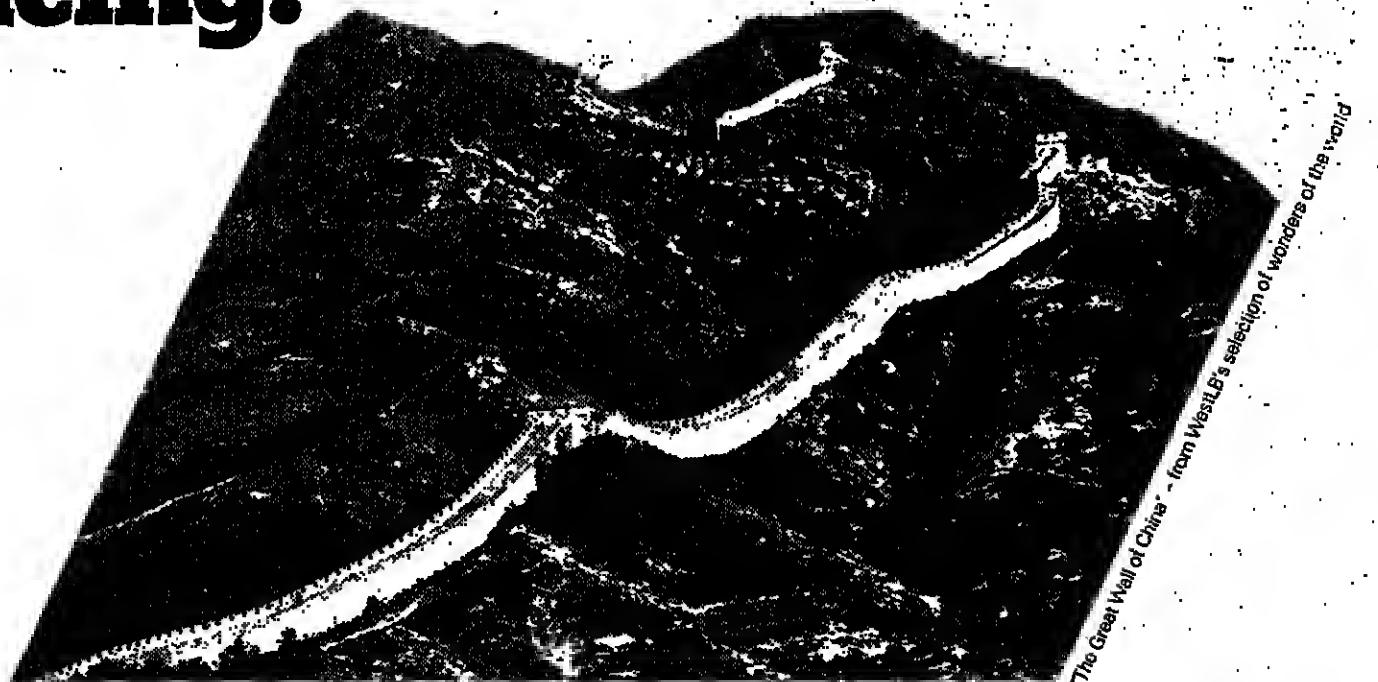


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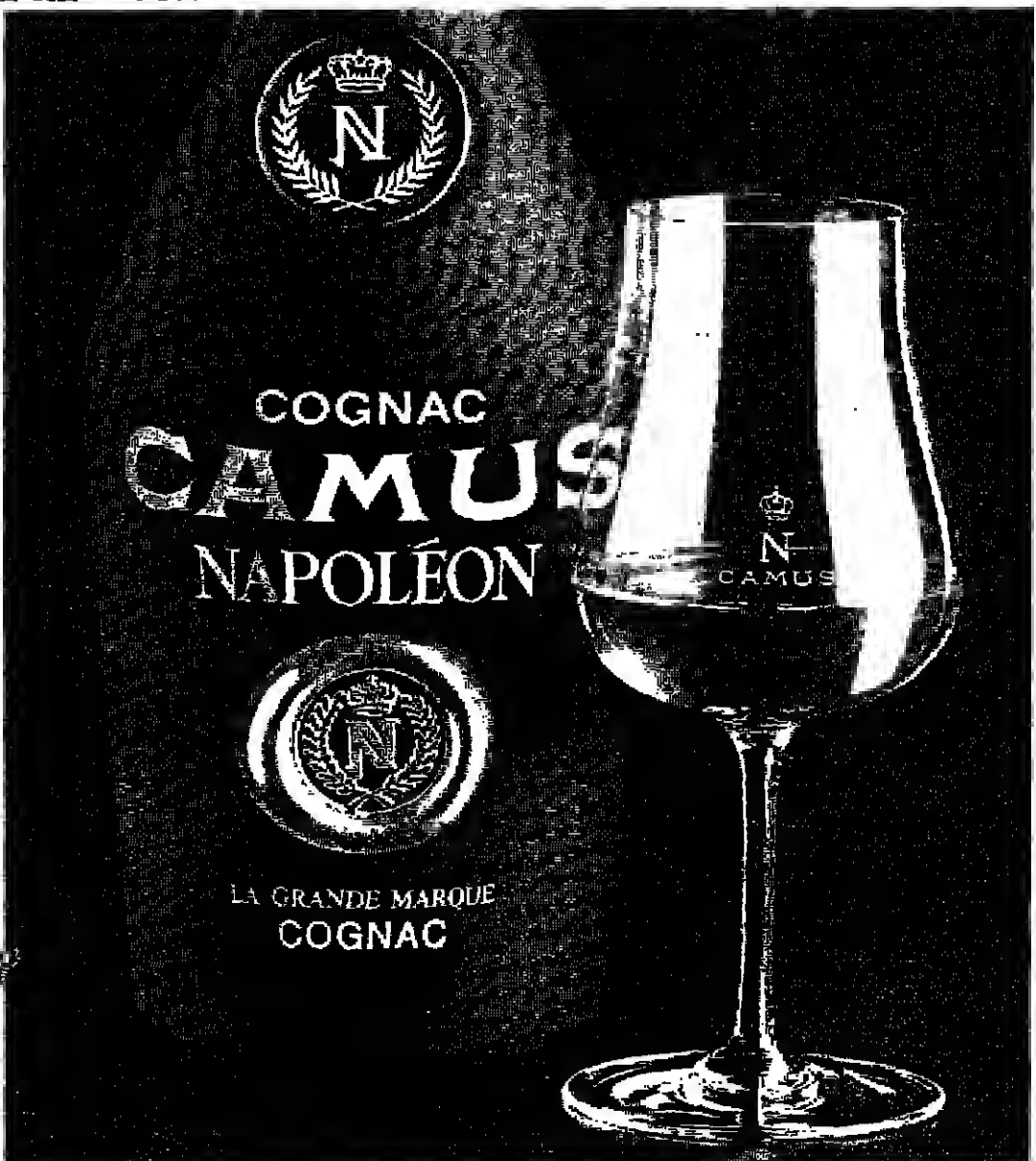
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Technology Downgraded

Mozambique Party Rules for Rural 'People Power'

By David B. Ottaway

MAPUTO, Mozambique, Oct. 29 (WP) — In its first big internal rift over economic policy, Mozambique's ruling Marxist Frelimo Party has reaffirmed the primacy of its commitment to communal villages over state farms and to man over machines as key elements in its own distinctive approach to development.

The decisions, made at a meeting

of the party's central committee in August, are being interpreted by observers here as a victory for Frelimo's Chinese-influenced radicals and a defeat for those advocating a more Soviet-style policy of rural development.

Nonetheless, the Soviet Union remains Mozambique's most important partner among its "natural allies," as President Samora Machel refers to the Socialist countries. In particular, Moscow is pro-

viding the bulk of its heavy arms under a treaty of friendship and co-operation signed in March, 1977.

The decisions have resulted in the dismissal of Agriculture Minister Joaquim de Carvalho and his ouster as a member of the central committee — the first high-ranking party and government official to be so severely demoted over a policy issue.

Mr. Carvalho was accused of

having rejected the party's "popular line." A government statement announcing his disgrace said, "He had systematically given priority to technology; he scorned the people's initiative and contribution."

In particular, he sought to block the process of creating communal villages, thus jeopardizing one of our decisive choices in development," the statement said. The creation of these villages, it continued, was essential for organizing the sys-

tem of collective production and changing rural living conditions.

The conflict over agricultural policy goes to the heart of what Mozambique's post-independence Socialist revolution is all about and the kind of society Frelimo under Mr. Machel wants to build on the ruins of the 400-year-old colonial one.

Mr. Machel and most Frelimo ideologists have taken extremely seriously the spawning of a "new Socialist man" out of the country's young revolution. The hatching grounds for this new man are supposed to be the communal villages. Their faith in these collectives stems from their own personal experience with them in "liberated zones" of northern Mozambique during the war for independence.

Flight of the Farmers

However, the government was initially overwhelmed with a completely different concern. The flight of Portuguese farmers left practically all of the country's 4,000-odd commercial farms abandoned and resulted in a disastrous drop in production, especially of export crops.

Thus, most government efforts, resources and time went into getting these abandoned farms going again under state management. This clear general priority was reflected in the government's earmarking last year of \$25 million — more than a tenth of all export earnings — for the purchase of 1,200 tractors and other equipment for the new state farms.

In addition, the government asked the Scandinavian countries to concentrate the bulk of their three-year, \$50 million agricultural assistance program in helping to staff and advise the farms.

Meanwhile, a half spontaneous and half party-inspired groundswell movement to set up communal villages began. Unofficial estimates put the number of Mozambicans now living in 460 of these villages at around 2 million — about a fifth of the total population. Most of the villages are still located in northernmost Cabo Delgado Province, where there were few Portuguese farms and many wartime "liberated zones."

But in the last year, the government and party have discovered that these budding communal villages were not getting sufficient financial and technical assistance to assure their success while at the same time the initial huge investment in machinery for the state-farm sector was not paying off.

As a result, Mr. Machel told the party central committee in August that the "results of the communal villages are still not showing themselves as they should." He blamed the lack of state planning, coordination and backup services for some of their difficulties. He cited problems of supplying them with goods to encourage production, marketing their produce and locating the villages too far from water points and roads.

The same kinds of problems have resulted in the disenchantment among the peasantry in Tanzania with similar *ujamaa* villages and their poor performance as production centers.

Well aware of this and anxious to avoid the same peasant reaction, Mr. Machel has now ordered that a special economic plan be drawn up for the villages to provide them with the necessary financial and technical support and trained cadres to run them. In addition, the communal villages are to be established by law as the basic economic and administrative units in rural areas.

As for the state-farm sector, the heavy reliance on modern machinery has proven a failure. Many of the new tractors are already broken down with no spare parts or mechanics to fix them.

But the climax of the crisis over machine versus man came at the time of the rice harvest in August. On state farms around Chokwe in southern Gaza Province, the government discovered that 109 East German combines it had bought for \$31,000 each could not be used because they became bogged down in the wet fields and could not cut the rice, which had grown too tall as a result of an excessive use of fertilizer.

To resolve the crisis, Mr. Machel and several other Cabinet ministers led 50,000 volunteers brought in from nearby villages and used capital to reap the harvest. In this dramatic Chinese-style manner, the importance of relying on mobilized "people's power" rather than highly sophisticated machinery was brought home to the party, government and entire nation.

U.S. Navy Rescues 40 From Moroccan Ship

MANILA, Oct. 29 (UPI) — Units of the U.S. Seventh Fleet today rescued 40 Moroccan sailors from a wrecked ship in the South China Sea, a Navy spokesman said. Two helicopters plucked the crewmen from the Moroccan vessel Towkbal, which ran aground on Scarborough Shoal about 145 miles west of Subic Bay Naval Base. The spokesman said initial reports indicated all survivors were in good condition.

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No Guarantee of UN-Sponsored Voting

Namibia Leaders Upset Over Pretoria's Election Plan

By Caryle Murphy

WINDHOEK, South-West Africa, Oct. 29 (WP) — Most black and white leaders here are distressed, albeit for different reasons, at South Africa's failure after recent talks with five Western powers to state clearly whether or not it will allow United Nations-sponsored elections in this country sometime next year.

However, several have expressed the view that lured by a more cordial relationship with the United States and anxious to avoid another Rhodesian-type situation on its borders, South Africa, in the end, will agree to the elections.

Representatives of the United States, France, Canada, Britain and West Germany met with South African Prime Minister Pieter Botha and Foreign Minister R.F. Botha two weeks ago in an effort to gain their acceptance of the UN independence plan for South-West Africa (Namibia) and to persuade them to forego unilateral elections in December.

But South Africa remained adamant in its intention to hold the December elections and instead only gave the West a lukewarm promise to try and persuade the winners of that contest to go along with UN-supervised elections next year.

Briefing in Pretoria

Immediately following the talks, local political leaders were flown to Pretoria for a briefing by the prime minister and foreign minister. According to participants, the two gave the impression that the South African government intended to allow UN-supervised elections next year.

R.F. Botha is said to have stated that since the South African government does not want to take sides and since some parties want elections this year and some want them next year, "we are going therefore to have elections this year to satisfy one side and elections next year to satisfy the other."

When pressed on this point, however, he backed down and said he could not give any guarantee that the second election would be held. Both South African officials stressed that Pretoria had the final say, sources said. They made it clear that although the elected body in December would have the right to write a constitution, only the South African government could put it into effect.

According to two people present, South African officials suggested that if the elected body became recalcitrant, South Africa always had the option of withdrawing its estimated 18,000 troops stationed in this country.

Prime Minister Botha reportedly emphasized that he did not want chaos — another Rhodesia — developing in South-West Africa. He firmly told right-wing whites at the briefing that "it's our sons and daughters who are dying there [in South-West Africa] for you and we are spending millions of rand to protect you," leaving the impression, as one participant put it, that there is a strong realization of the serious consequences of going it alone.

Soviet Involvement

Guerrillas of the black nationalist movement, the South-West Africa Peoples' Organization (SWAPO) are waging a bush war against South African troops. The likely result of South Africa rejecting the UN plan would be increased Soviet and Cuban involvement with the guerrillas and an escalation of the conflict.

Another important consideration to the prime minister appeared to be the prospect of a closer, more relaxed relationship between Washington and South Africa that was conveyed to him by Secretary of State Cyrus Vance during the three-day conference in Pretoria. These improved relations are conditional on South African cooperation with the UN plan.

On two occasions, Mr. Botha said he was proud of the relationship he developed with Mr. Vance, said one source who was at the briefing.

Among the South-West African leaders at the meeting were right-wing white officials of Akrur, the local branch of South Africa's ruling National Party. They are disgruntled because South Africa did not reject outright a second election.

"This is the first time I have heard about an election being held to decide whether to hold an election," said Akrur Chairman A.H. DuPlessis at a meeting of whites upon his return here. According to those present at the briefing, Prime Minister Botha at one point clashed with Mr. DuPlessis, who is a former minister in the South African Cabinet, when he protested the fact that elections were not being held on an ethnic basis. Mr. Botha reportedly said, "We're not talking about ethnicity here. These elections are to elect leaders of the territory. I want you to understand that."

Private Assurance

On the other hand, moderate black and white leaders from the multiracial coalition called the Namibian National Front are concerned that South Africa did not give an unequivocal commitment to UN elections. A white NNF leader who regards UN elections as the only way to obtain international recognition for "an independent government here, said he could not believe the five Western powers left South Africa without a private as-

surance from it that it would participate in the UN plan. "If not, then we have been double-crossed by the West," he said.

Officials of the conservative, ethically based Democratic Turnhalle Alliance, publicly say they are pleased at the outcome of the Pretoria talks, but privately, some say they wish there had been more finality to South Africa's position. The DTA, backed by the South African government, is expected to emerge the victor in the December elections and it is not keen for a second, UN-supervised round of elections.

Black and white DTA leaders interviewed here say their agreement to UN elections if they are elected in December would hinge on certain changes in the UN plan as it now stands. Herero Chief Kuai-Riruko and white farmer-turned-politician Dirk Mudge said they would demand that the UN revoke its recognition of SWAPO as the legitimate representative of the South-West African people and they would ask that UN or Western troops be placed inside neighboring Angola to monitor SWAPO guerrilla bases.

Most of the nationalist groups give the country consider the UN elections a dead issue. "Once the December elections take place, South Africa is going to present the world with a fait accompli," said SWAPO official Daniel Tjengereu.

Trudeau's Winning Streak Faltering

(Continued from Page 1)

39, who was known "you'll rarely see as 'Joe Clark'."

"Joe is a hell of a lightweight," said an Ottawa political observer. "Can Joe fill Pierre's shoes?" was a headline in the Mootral Gazette, the implication being that it is going to be very tough.

Indeed, the irony of Mr. Trudeau's decline is that the likely alternative apparently leaves a great many people cold also. Mr. Clark has shown undeniable skill at organizing for elections and Conservatives say he is gaining in stature and confidence as the prospect of premiership looms larger.

However, all but the most ardent Clark supporters concede that he is still, as one official said, callow. Western diplomats here shudder at the prospect of Mr. Clark — who apparently dropped out of law school twice because he would not have made it through — bargaining with heads of state, such as Helmut Schmidt of West Germany, Valery Giscard d'Estaing of France or President Carter.

"Can you imagine?" a political reporter said. "They'll eat little Joe alive!"

The consensus seems to be that the Progressive Conservatives are benefiting from what is a strong move away from a government that has simply been around too long, a widespread yearning after so many years of Mr. Trudeau for something else. And Joe Clark is at least a change.

Biggest Caveat

The biggest caveat to Mr. Clark's chances seems to be that the Conservatives have made virtually no dent in Quebec, where the secessionist Parti Quebecois is in power and the Liberals retain the bulk of seats in the federal parliament.

Even though English-speaking Canadians have the majority of votes in Canada, there is a sense that the strains on confederation, symbolized by Quebec separatism, would be exacerbated if the Conservatives were chosen without backing from French speakers.

The belief is that Mr. Trudeau, of French origin, could hold Cana-

da together while Mr. Clark could not.

At the moment, the long-term intentions of Rene Levesque, leader of the Parti Quebecois, are obscure. After being elected in 1976 on an independence platform, he recently said that a provincial referendum — to be held in the next year or so — would merely seek permission from Quebecers to discuss "sovereignty" with the federal government. This arrangement would greatly increase provincial powers without declaring outright independence.

After these discussions, Mr. Levesque would then put the crucial issue to voters again — probably years from now. Mr. Levesque himself probably will face a tough reelection campaign in 1980. Radical Quebec nationalists have accused him of proceeding too slowly. It may well be, experts say, that Mr. Levesque has chosen a cautious path.

"Holding on to power," the editor of the French-language Le Devoir wrote, "and making concessions is always superior to being idealistic and defeated."

But there is another possible explanation of Mr. Levesque's strategy. He and Mr. Trudeau are old rivals. By defusing the separatist issue as he has now, Mr. Levesque makes Mr. Trudeau seem less essential to maintaining Canadian unity — thereby possibly helping to bring about his defeat and the election of a Conservative government and to sharpen the French-English cleavage in the country.

Nepal King Pardons 33 Foes of Regime

KATMANDU, Nepal, Oct. 29 (UPI) — King Birendra today pardoned 33 political opponents of his regime, most of whom are living in self-exile in India.

An official communique said that most of those pardoned had carried out activities against the present regime from India. The political activities against the present regime started in December, 1960, when King Mahendra, father of the present monarch, dismissed the Hindu kingdom's first elected government and replaced it with direct royal rule.

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EQUALITY AT SEA — Two women officers, among first to serve on a Navy ship, begin duty aboard U.S. Navy destroyer tender Samuel Gompers at Yokosuka Naval Base near Tokyo.

5,000 Workers Say Health Dangers Distorted

U.S. Asbestos Firms Charged in Suit

By Henry Weinstein

LOS ANGELES, Oct. 29 — A \$1 billion class action lawsuit on behalf of more than 5,000 workers at two Southern California shipyards has been filed in Los Angeles Superior Court charging the 13 major U.S. manufacturers of asbestos with a conspiracy to conceal and distort scientific and medical reports on the health dangers of asbestos.

This action, filed Friday, is believed to be the largest in scope of more than 1,000 asbestos health-related lawsuits filed so far.

The suit asks for general and punitive damages and for medical expenses and loss of earnings on behalf of each injured worker. Asbestos is linked to cancer and other lung diseases.

Additionally, the suit contends the defendants "have been unjustly enriched by the profits of their continued manufacture and sale of asbestos during the period of their concealment of the facts (1938 to the present)." Thus, the suit contends, the companies are indebted to the injured workers in the amount of their profits since that time — about \$1 billion.

First Time

Lawyers for the plaintiffs said they believed this was the first time that asbestos workers had asked for restitution of profits, a legal remedy that generally is confined to an aggrieved businessman suing another businessman.

Lawyers for several of the defendants said they were unable to comment because they had not been served with a copy of the complaint.

In a separate action, officers of Local 9 of the Marine and Shipbuilding Workers, AFL-CIO, which represents the workers, have asked California and Los Angeles officials "to commence immediately the investigation of the asbestos industry for possible manslaughter and other criminal violations in their suppression and distortion of scientific and medical information concerning the deadly nature of asbestos."

The letters referred to disclosures made in congressional hearings in San Francisco earlier last week and in the Los Angeles Times about knowledge that the asbestos companies had four decades ago about health hazards of the material.

David Epstein, an attorney for the plaintiffs, said precedent exists for criminal action against a company that markets a dangerous product.

Ford Indictment

He referred to a criminal indictment in September of Ford Motor Co. officials in Elkhart, Ind., for reckless homicide and criminal recklessness for designing, manufacturing and failing to repair a 1973 Pinto in which three girls died in August. Ford said it would fight the indictment.

The lawsuit contends the defendant companies caused the workers and their employers to be deprived of knowledge and information of the material's dangerous nature. As

a result, the companies "did not take those measures necessary for the protection of the health and lives of plaintiffs."

Defendants in the suit are Johns-Manville Corp.; Raybestos-Manhattan Inc.; Owens-Corning Fiberglas Corp.; Celotex; Philip Carey Corp.; Eagle-Picher Industries Inc.; Pittsburgh-Corning Corp.; Unarco Industries Inc.; Combs Engineering Inc.; Standish Asbestos Manufacturing and Isolating Co.; Ruberoid Co.; Ke Corp.; Armstrong Cork Co.; H. Porter; and Amotex.

Class action lawsuits are signed to bring relief to a group of persons similarly injured. A lawsuit will have to certify that there is a valid case of similarly affected persons if the suit is to move forward.

One major class action asbestos suit was settled last year in Texas for about \$20 million on behalf of about 450 workers.

Los Angeles Times

Ex-CIA Ship Glomar Sail On Ocean Mining Mission

By Robert J. Gore

SAN PEDRO, Calif., Oct. 29 — The Glomar Explorer, used by the CIA in 1974 to raise a sunken Soviet submarine, cast off into the early morning fog yesterday on a \$60 million mission designed to revolutionize ocean mining.

The vessel departed on a 45-day test cruise to find out if its ocean-floor vacuum can successfully sweep valuable mineral-laden nodules from depths of 14,000 to 18,000 feet.

The Glomar is still shrouded in secrecy. Worried about its experimental mining equipment, Ocean Minerals Co. allowed only a small crowd of relatives of the crew — to watch the ship leave.

Several firms in the United States and other countries are racing to develop large-scale ocean mining operations, according to Conrad Welling, vice president of

Ocean Minerals, the firm in charge of the venture.

The prizes are the nodules: potato-sized chunks of manganese, cobalt, copper and nickel.

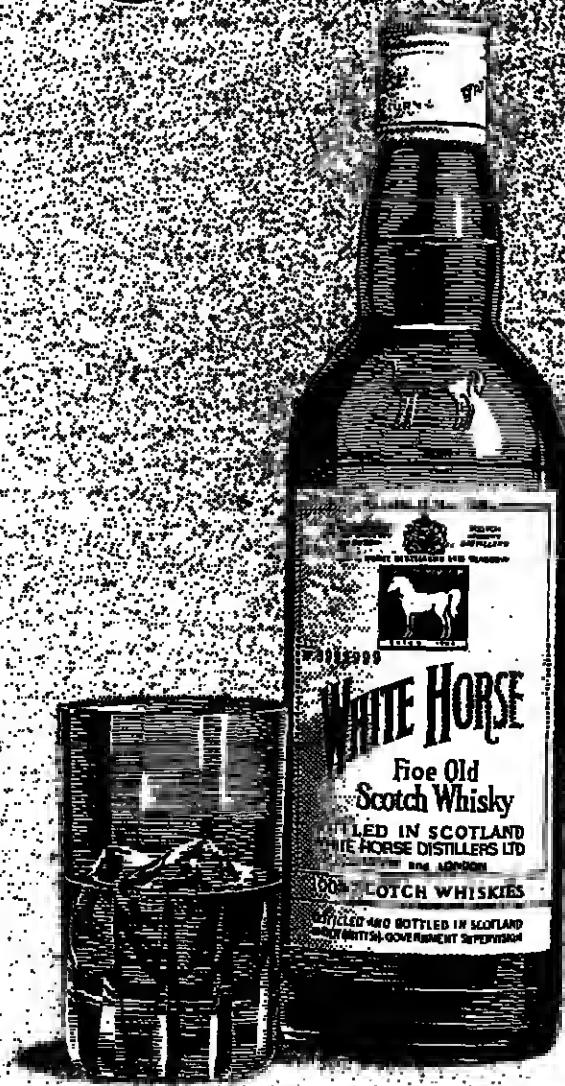
About 1,000 tons of nodules are gathered during the trial, which is designed mainly to generate and engineering information on the mining equipment, Welling said.

Although Mr. Welling and executives repeatedly said that Glomar's only cargo will be nodules, not submarines, they were some skeptics.

"That's what they told us time," said James McJunkin, general manager of the port of Long Beach, where the Glomar berthed in 1974. "They took a lot of us on a tour, showed us mining equipment and even gave us nodules. Boy, was I gullible."

Los Angeles Times

One good Scotch...



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Firm Offers Industrial Aid

GM Hoping to Establish Direct Market in China

By Sam Jameson and David Holley

TOKYO, Oct. 29 — Thomas Murphy, chairman of General Motors Corp., said yesterday that GM hopes to sell its products directly to China, and that during his recent week-long visit there he offered GM's help in modernizing China's vehicle plants and in building new ones.

"We expressed our interest in co-operating in whatever areas they sought," Mr. Murphy said. He said that he hopes that his China visit "established a basis" for direct GM sales.

Referring to Japan, Mr. Murphy said GM "has a long way to go" to fulfill its desire to sell passenger cars there. He admitted that the firm "needs" to provide products that are desired. Mr. Murphy criticized the Japanese government for moving too slowly to dismantle procedural barriers to imports.

In the China market, General Motors has sold indirectly 2,800 diesel engines now in use, and has been involved indirectly in the sale of Isuzu trucks to China through its 34.2 percent ownership of Isuzu Motor Co. of Japan.

Potential Market

Mr. Murphy said that GM would like to expand its sales of diesel engines. He said that he sees a potential market for road-building equipment, machine tools and locomotives.

The GM chairman said that he told Chinese officials that his firm is prepared to supply China "from whatever source" in its worldwide network of joint ventures and subsidiaries, whatever the Chinese "might be interested in favoring."

"We made clear that we support Isuzu's efforts to expand [its] volume with the People's Republic," Mr. Murphy said.

On the modernization of existing Chinese automotive factories and construction of new ones, Mr. Murphy said that his conversations did

not go beyond "merely a concept of what they were seeking."

He added, "The opportunity has been laid out. . . . It just remains to be seen what can be developed over the longer term."

Asked about GM plans to increase exports to Japan, he said, "If desire were all that were required, we would be there. . . . but it's not just a matter of desire. It's a matter of being able to provide the products that are desired by the people in this country and of offering them at a competitive price."

He pointed out that Japan probably will import fewer than 50,000 passenger cars this year for a market of almost 3 million sales.

Asked why GM is unable to sell any of its passenger cars for less than 2 million yen (about \$11,111) in Japan, Mr. Murphy put part of the blame on Japan's commodity tax. He said the tax is not "a trade barrier in the strict sense," but he noted that it is assessed on not only the value of a passenger car but also on freight and insurance costs involved in shipping it.

He called standards certification in Japan "time-consuming, costly, and needlessly complex."

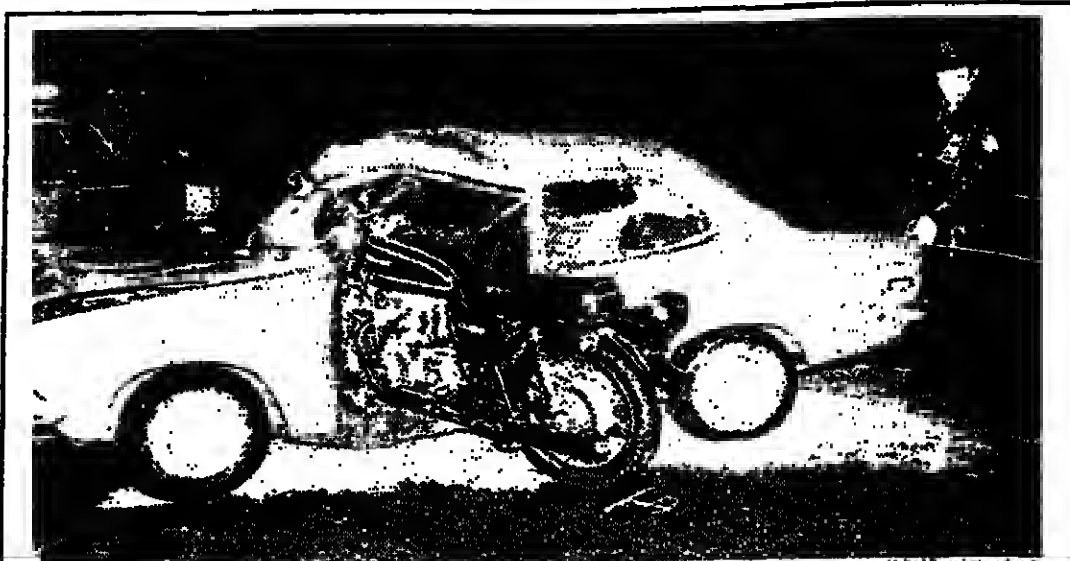
"We would like to have the same access to this market as the Japanese manufacturers have to the market in the United States," he said.

Critiques Japanese Industry

Mr. Murphy aimed criticism at Japanese auto manufacturers. Despite as many as eight price increases in the last 18 months, "Japanese manufacturers still haven't reflected the full appreciation of the yen in their selling prices in the United States," he said.

Appreciation of the value of the yen to present levels will force Japanese auto makers to start some form of manufacturing in the United States "if they want to compete fairly," he added.

© Los Angeles Times



RAMMED — Driver of car was seriously injured when a motorcycle sliced through his door Saturday in the Bronx section of New York. The motorcyclist was killed in the accident.

Prices Have Plummeted

U.S.-Made Cars Popular in W. Germany

BONN, Oct. 29 (AP) — The nervousness that U.S. automakers felt over the last few years at the rise of foreign car sales in the U.S. market has found its way to West Germany, where American-built autos, once ridiculed as "gas guzzlers," suddenly have become fashionable.

"The giants from Detroit have gotten cheaper," the Abendzeitung newspaper of Munich said. "Now it's in to drive an American sleigh."

Frankfurt's Abendpost newspaper said of the boom in sales: "The dollar is sinking. Yank [auto] stocks are rising."

American car prices have plummeted in West Germany as the U.S. dollar declined 25 percent in value against the West German mark during the last two years, making "European-sized" compact sedans and sport coupes a bargain for affluent Germans.

The Chevrolet Camaro is the hottest-selling U.S. model on the German market. Its price of 18,000 marks (about \$10,000) is modest compared to Mercedes or Porsche sports cars.

Styling Praised

"It's a lot of auto for the money," Cologne's Stadt-Anzeiger newspaper said of the American fastback, praising its elegant styling and V-8 engine for no-speed-limit driving on the autobahns.

Dealers say that Germans also are attracted by the smaller size, lighter weight and improved handling of U.S. models in the last two years.

General Motors, which has 80 dealers selling U.S. models in West Germany, says that the Chevrolet Malibu, Oldsmobile Cutlass, Buick Century and Cadillac Seville are also selling well.

And four-wheel drive imports, such as the Blazer, are popular in the alpine regions of southern Germany.

"I can offer American cars that are almost 15,000 marks (\$8,000) cheaper than their comparable European models," said Peter Baumgarten, a General Motors dealer in Munich.

At the same time, imported cars are losing some of their allure in the United States because foreign automakers, particularly the Japanese, are raising prices to make up for the decline of the dollar.

Rapid Growth

Although U.S. exports still account for less than 1 percent of auto sales in West Germany, spokesmen for General Motors and Ford said that the growth has been rapid.

"We expect to sell between 7,000 and 8,000 cars in West Germany alone this year, a 60 percent increase over 1977 sales," said Paul Steffens, General Motors' spokesman for Europe. "Germany has now surpassed the Benelux and Switzerland as our main European market."

General Motors expects to sell another 7,000 cars elsewhere in Europe this year, he said.

Ford and General Motors German subsidiaries are among the pace-setters of the European auto industry, and neither company wants to sell U.S. imports at the expense of the local products.

"The U.S. car can give the German customers a feeling of being exclusive," Mr. Mandla said. "But we don't intend the imports to compete with cars built by Ford or Germany."

To Commemorate Nazi-Era Pacifist

W. German College Sues for New Name

By David Minthorn

OLDENBURG, West Germany (AP) — Oldenburg University is suing the state for the right to rename itself in honor of German pacifist Carl von Ossietzky, the 1935 Nobel Peace Prize laureate who died as a result of Nazi torture.

The dispute has developed into a classic conflict pitting conservative residents of the north German city against left-leaning students and faculty of the four-year-old school.

The students say that an element of the conflict is the older generation's refusal to "come to terms with the Nazi past."

"Ossietzky symbolizes the socially committed causes the university espouses," Gerbard Harms, a school spokesman, said.

But townspeople widely regard the campaign to adopt Mr. Ossietzky's name as a power play by Communists in trying to dominate the school of 4,700 students.

The state of Lower Saxony has sided with the town and has vetoed the name change. Its position is that naming a state institution for any historical figure is "no longer timely" and a "relapse into outdated traditions."

Critics say that this is ironic because the town has an army barracks named for Paul von Hindenburg, the Weimar Republic president who named Adolf Hitler chancellor in 1933.

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Col. Claus von Stauffenberg was one of the leaders of the German Army's unsuccessful conspiracy to assassinate Hitler on July 20, 1944.

Intransigent Attitude

But state officials remain adamantly against renaming the school. They accuse the university of displaying an intransigent attitude.

"The way in which the university has pursued the name change has been least calculated to make us change our opinion," Ernst Albrecht, state minister-president (governor), told the Oldenburg newspaper last fall.

He was awarded the 1935 Nobel Peace Prize while still a prisoner in the camp but was prevented from accepting the award. He was paroled in 1936 as a concession to world opinion, but his health was broken and he died in 1938 while under house arrest in Berlin.

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Since Election of Polish Pope

Vatican Quickly Acquires A New Diplomatic Status

By Paul Hofmann

ROME, Oct. 29 (NYT) — A Western ambassador accredited at the Holy See boasted the other day that his assignment was more important to his government than his mission to the North Atlantic Treaty Organization headquarters in Brussels.

"I have no military attache, and no commercial attache for that matter," the envoy to the Vatican remarked. "And yet, my job is more significant than that of many of our embassies."

The diplomat went on: "You remember, of course, Stalin's celebrated snarl about how many divisions the pope had. Well, now Moscow may find out that the papal divisions are there all right — in Poland, in Hungary, in Czechoslovakia, maybe in Lithuania and the Ukraine, in any place in Eastern Europe where Catholics feel oppressed by a Communist regime."

The ambassador may have overstated the weight of the Vatican in East-West relations and in world affairs generally, but the fact is that many governments are at present upgrading their diplomatic missions to the Holy See.

Sinecure Days Interrupted

An embassy to the Vatican used to be a sinecure for a senior ambassador who still had a few years to serve before retirement, or a job for second-string diplomatic talent. An ambassadorship at the Holy See demanded attendance at a few lengthy pontifical ceremonies in St. Peter's Basilica, occasional conferences with urbane prelates of the papal secretariat of state, and a report to the home government every now and then.

This year, things have radically changed. The sudden death of Pope Paul VI on Aug. 6 and the conclave for the election of a successor obliged many ambassadors at the Holy See and their staffs to postpone scheduled summer vacations.

Stuck on the Job

Diplomats who had just started their long delayed vacations after Pope John Paul I had started his pontificate were recalled and rushed back to Rome when the "smiling pope" unexpectedly died only 33 days after his elevation.

One deputy chief of mission who has taken only one week's vacation in the second half of September and is entitled to four more weeks for 1978 said dejectedly: "I can't take the time off that's coming to me this year. With the new pope, nobody knows what he is going to do next and what's going to happen in the Vatican."

The election of the first non-Italian pontiff since Pope Adrian VI, a Dutchman who reigned in 1522-23, is indeed a momentous landmark. The entire fourth quarter of church history was dominated by Italian popes. And now — a Pole.

Embassies to the Holy See have been sending voluminous daily reports to their governments ever since Pope John Paul II became head of the church. Even powers that maintain no formal diplomatic relations with the Vatican are showing sudden interest. One of them is the Soviet Union. Moscow not only instructed its ambassador to Italy to attend the new pontiff's installation last Sunday in an official capacity, but is understood to

have ordered stepped-up reporting on Vatican affairs.

On Monday, Pope John Paul received the special missions that had represented the world's governments at the Sunday ceremony in St. Peter's Square. The Soviet ambassador in Rome was among the group.

After a formal speech, the pope conversed privately with each mission chief. It was noted that his talk with Soviet Ambassador Nikita Rykov was particularly long. "I surely would like to read the report that our Soviet colleague will send to Moscow tonight," another Eastern European diplomat remarked after the papal audience.

The United States too is strengthening its representation at the Holy See. There is no U.S. embassy to the Vatican, but President Carter has just appointed the former mayor of New York, Robert Wagner, as his personal envoy to Pope John Paul.

A foreign service officer who has been closely following Vatican affairs for years, Peter Sarros, was recently promoted to deputy presidential envoy to the pope. Washington wants close liaison with the Vatican, since the papacy is making history again.

Pontiff Sees East German

VATICAN CITY, Oct. 29 (AP) — Pope John Paul II yesterday received East German Foreign Minister Oskar Fischer in a private audience here. The envoy is the first representative of an East European government to see the pontiff since his election and the first East German minister ever to visit the Vatican.

The audience lasted over half an hour. There was no communique on the talks, but they were expected to have centered on relations between church and state in East Germany.

Moscow Barmaid's Conspiracy

Was Not Considered Small Beer

MOSCOW, Oct. 29 — Anyone who does not believe that the Soviet Union takes its booze seriously ought to have a little chat with Galina Nikitina. If they can find her. Miss Nikitina, the chief barmaid at the Pizyain cafe in Moscow's central Gorky Park has been sentenced to 15 years for watering the beer in her establishment.

Not only that, but she and seven co-conspirators sold the diluted mixture at premium prices. One of her colleagues got



Kristina Berster

U.S. Convicts West German Of Illegal Entry

BURLINGTON, Vt., Oct. 29 (AP) — Kristina Berster, a West German fugitive wanted for alleged terrorist activities, has been convicted on five counts of violating U.S. passport laws.

A federal court jury on Friday returned the guilty verdict on three felony and two misdemeanor counts. Miss Berster, 28, was found not guilty of a conspiracy charge.

Ray Kajimir, 33, of New York City, was found not guilty on five counts of aiding and abetting Miss Berster's illegal entry from Canada into the United States in July.

U.S. District Judge Albert Coffrin set no date for sentencing, but he agreed to recommend that Miss Berster be transferred to the Metropolitan Correctional Center in New York City. Her lawyer Dennis Schlenker said he wanted to make it easier for Miss Berster to discuss deportation proceedings with her lawyers.

Miss Berster testified she had walked across the border carrying a forged passport and said she was seeking political asylum in the United States. She said she was falsely accused of terrorism by the West German government.

Integrity in Question

Saudis Said to Have Role In Research Post at USC

By Don F. Speich

LOS ANGELES, Oct. 29 — Confidential records of the University of Southern California strongly suggest that money donated to the university by the Saudi Arabian government for a King Faisal chair in Islamic studies has some unusual strings attached, despite public assurances from USC officials that this is not so.

The records suggest that in 1976 the Saudis played a role in the selection of the person who now holds the chair, Willard Beling, a former official of the Arabian American Oil Co., the Saudi-controlled oil consortium, and the director of USC's Middle East Center. They also show that the Saudis will have a voice in the selection of future occupants of the chair.

Both practices would represent a sharp deviation from traditional academic procedure followed at such universities as Harvard, Yale, and Stanford to maintain the integrity and intellectual honesty of research and instruction.

At these and other major universities, the donor normally has no voice in the selection of a person to fill a chair. Additionally, the donors over, according to sources at the universities, play any role in the selection of future occupants of an endowed chair.

The fear is that if the donor is given a voice in the selection process, the research of the person holding the chair might be viewed as suspect or, at worst, skewed in a direction preferred by the donor.

Officials associated with or knowledgeable about normal practices at major universities described the agreement between the Saudis and USC in a variety of ways, ranging from "unusual" to "political influence of the rankiest sort."

John Hubbard, the USC president, conceded that he consulted with Saudi leaders before he appointed Mr. Beling to the \$1 million Saudi-endowed chair. He also said that the Saudis will be consulted about future appointments.

However, Mr. Hubbard insisted that Mr. Beling was his choice for

the position — "he's the only [Middle East] scholar we've got" — and described USC's arrangement with the Saudis as "nothing out of the norm."

A March, 1976, letter to Mr. Hubbard from Mohammad Abal-khalil, Saudi minister of finance and national economy, announces the Saudi decision to fund the \$1 million chair, and states, "It is our understanding . . . the first incumbent of the chair shall be Professor Willard Beling."

The letter goes on to say that "future incumbents shall be chosen by the university in consultation with the Saudi Minister of Higher Education, such consultation will be within the acceptable academic traditions of the university." Mr. Hubbard said the phrase assures the university control over chair appointments.

Earlier this month, Mr. Beling said, "I got the chair from the Saudis. It was done by alumni [Saudi leaders who are USC graduates] with no strings attached."

A little more than two years after he was named to the chair, Mr. Beling was appointed by Mr. Hubbard as director of the USC Middle East Center. The center is funded by the Middle East Center Foundation, which is also headed by Mr. Beling.

The foundation, at the urging of USC and Saudi leaders, will be financed by U.S. multinational corporations doing billions of dollars worth of business in Saudi Arabia.

A leading figure behind the establishment of the center has been J.R. Fluor, chairman of the USC board of trustees and president and chairman of the board of the Irvine-based Fluor Corp., which is doing millions of dollars worth of construction in Saudi Arabia.

Under the contract that establishes the center, approved by the USC board of trustees earlier this month, the King Faisal chair will become part of the center, with future appointments under the control of a foundation-appointed or approved governing committee.

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ART ON WHEELS — West German artist Peter Miller set up this exhibit of three cyclists and their two trainers in front of the sports center at the university in Bremen. The five figures, made of plastic, are intended to demonstrate the cruel conditions that are found in high-velocity sports.

6 Red Brigades Terrorists Jailed After Milan Shootout Conviction

MILAN, Oct. 29 (AP) — Six members of the Red Brigades were convicted yesterday of participating in a shootout last year with police outside Milan.

Two leaders of the group — Attilio Casletti and Pierluigi Zuffada — were found guilty on two counts of attempted murder and illegal possession of weapons. Casletti was sentenced to 9 years and 9 months in prison and Zuffada to 9 years and 6 months.

The other four, convicted on lesser charges of conspiracy to commit crimes and illegal possession of firearms, drew lighter sentences: Corrado Alunni, 7 years and 7 months; Fabrizio Pellì, 3 years and 4 months; Paola Beauschio, 3 years, and Susanna Ronconi, 2 years and 7 months.

The Red Brigades, Italy's most feared urban guerrilla organization, kidnapped and murdered former Premier Aldo Moro last spring, but the six convicted terrorists were not cited for any involvement in the Moro case.

Stradivarius Violin Stolen in Montreal
MONTREAL, Oct. 29 (AP) — Two robbers posing as deliverymen held a Montreal man at knifepoint and stole a Stradivarius violin worth \$150,000, police said.

The men gained entrance to the apartment of Onazan Chounard, 62, on Friday by pretending to be deliverymen for a florist.

Vessel Rams Bridge On River in Oregon

PORTLAND, Ore., Oct. 29 (AP) — The Willamette River was closed to ship traffic at Portland yesterday after a Norwegian container ship rammed a railroad bridge over the river.

The Marie Bakke struck an abutment of the Burlington Northern bridge yesterday morning, shaking up a bridge tender on duty, the Coast Guard said. Several containers on the ship's rear deck broke open, and the vessel's superstructure was believed to be damaged, authorities said.

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Learning the Secrets of High Growth

China Goes to Japan's Economic School

By Jay Mathews

HONG KONG, Oct. 29 (WP) — Like an eager if overzealous pupil, China has embarked on an ironic pilgrimage to learn from its ancient cultural offspring and once bitter enemy — Japan.

Communist Party leaders in Peking tell visitors that they plan to follow the example of the 1868 Meiji Restoration and the Japanese economic miracle. Chinese Deputy Premier Teng Hsiao-ping arrived in Japan with the announced intention to "learn from . . . the great, industrious, heroic and wise Japanese people." A Cabinet-level delegation is following him to explore "the secrets of the high-growth Japanese economy."

Although there is much in garish, capitalist Tokyo that the Chinese do not want to copy, they have signaled that of all the world's major industrial powers, Japan is now the favorite model for China's 900 million people. Since the two countries normalized relations in 1972, about 120,000 Japanese have visited China while perhaps 12,000 Chinese have seen Japan, a depth of contact that China probably now has with no other country.

In Japan, the Chinese find lessons in efficiency and enterprise not so tainted by the rugged individualism they find so distasteful in the West. Japan suggests a way to build modern factories without losing too much of traditional arts, a way to borrow from the West without being controlled by it. Japan offers economic vitality without immense income differences or social schisms. It insists on a respect for elderly leaders that sits well with China's current gerontocracy.

Study in Adaptation

"The Chinese see us Japanese, like themselves, as not being explorers in modern technology," said a Japanese diplomat. "They are interested in studying how we adapted what we found in the West so quickly."

It is to both the Japanese and Chinese a most interesting turnabout, for if the latest anthropological theories are to be believed, the Japanese of today are nothing more than the offspring of Chinese colonists who arrived on the islands just 200 years before Christ. Those comparatively recent colonists supplanted an ancient Japanese race that survives now as the primitive Ainu tribe. To this day, the Japanese use the Chinese written language and have a cultural tradition extensively borrowed from their huge neighbor to the west.

But when both countries were hit by the onslaught of superior European technology in the 18th and 19th centuries, the Japanese found a way to modernize quickly under the enlightened leadership of the

Meiji emperor. At the same time, the Chinese Empire resisted the modernizers and the ancient nation crumbled into factionalism and revolution.

China reunified under a Communist government in 1949, but has been handicapped by political disputes and has not even approached, so far, the progress the Japanese have made in rebuilding since World War II. When a new government took over in China in 1976 after the death of Mao Tse-tung, analysts wondered how much it would change Mao's policy of economic self-reliance and what foreign examples it might follow.

Wall Poster

The most prophetic answer came in an unusually detailed wall poster that appeared on a busy street in Canton Jan. 23, 1977. With language and authority that seemed to indicate inspiration from very high in the Communist Party, the poster pronounced open envy of the Japanese.

"In 1957, Japan produced about 10 million tons of steel, approximately the same amount as China," the poster said. "But in 1977, Japan's steel production was more than 100 million tons while ours was only 29 million tons."

It said that despite Japan's great losses in World War II, it managed to produce almost twice as many motor vehicles as China and has a 60-percent higher yield per acre in rice farming.

"Does this mean," the poster

asked, "that the Chinese people are less intelligent than the Japanese that we are less diligent? Does it mean that Chinese natural resources are inferior to those of Japan or that our social system is somehow lacking?"

No, it concluded, but many major changes in the Chinese economic system were necessary. Then it listed a series of measures that the 21 months since have become officially enshrined as China's new economic program: Factory-work wage increases, bonuses, strict cost accounting, more consumer goods, higher incomes for peasants, and rapid introduction of foreign technology.

To all this, speed is of prime importance. The Chinese slogan has come to be: Modernization by the year 2000. The independent Hong Kong newspaper Ming Pao reported last Monday that recent visitors to Peking asked Chinese officials if this was not too fast. The Chinese replied by citing the Meiji Restoration. "They said the reform turned feudalism and backward Japan into a modernized nation in a quarter of a century," Ming Pao reported.

Although private, family-owned companies had much to do with modernization of Japan after 1868, the imperial government only treated the most vital change which may encourage today's Chinese with their state-planned economy. The 19th-century Japanese imperial government opened Chinese factories, mines and engineering schools. It sent students abroad to learn foreign technology and invited foreign experts to Japan.

The Japanese style in those days matched China's current theme: self-control and self-reliance. Or the Meiji reformers learned what they could from visiting foreigners, they ran the new industries on their own. The Chinese, who are now discussing projects that might allow foreigners to set up factories in China, are still expected to insist on the right to take over projects within short periods of time.

Teng Leaves Japan
OSAKA, Japan, Oct. 29 (AP) — Deputy Premier Teng flew back to China today after an eight-day visit here to put the seal on a Chinese pan friendship treaty.

Mr. Teng, the first top-ranking Chinese leader to visit Japan since the establishment of the People's Republic in 1949, called on Emperor Hirohito, held talks with Prime Minister Fukuda and inspected some of Japan's modern factories, type he said he would like to see in China.

15 Escape Spanish Jail
MURCIA, Spain, Oct. 29 (AP) — Police set up roadblocks around this southeastern Spanish city after 15 inmates escaped from the local prison last night through a tunnel.

Stolichnaya and Moskovskaya. Only vodka from Russia is genuine Russian vodka.

Fortunately, it's easier to remember the two genuine Russian vodkas than dozens of pseudo-Russian vodkas.

Sheraton. The only one of the three luxury hotel chains giving you all these windows to the world.

ISTANBUL — You have a 360° spectacular view of all of Istanbul from our Istanbul-Sheraton, the tallest building in town. 460 tastefully-appointed rooms. Three restaurants that are full of good taste too, including Le Mengal, Istanbul's No. 1 gourmet restaurant.

COPENHAGEN — People come to Copenhagen just to visit the Tivoli Gardens which is a quick stroll from the Copenhagen-Sheraton. They also visit our Penthouse Night Club, with its exquisite view of this lit-up, charged-up city.

PARIS — The Paris-Sheraton grew up in the middle of Montparnasse, Hemingway's, Picasso's, and the majority of the Parisians' favorite part of Paris. And you are part of this great city when you stay with us.

TEHRAN — The Arya-Sheraton overlooks the city and the Alborz Range, close to the city and a short drive from the airport. It has an Olympic-size pool and full translation services for every guest who must work in this lap-of-luxury.

ZURICH — The Atlantic-Sheraton nestles quietly at the foot of the Uetliberg just a few minutes from the city's centre. Some say the Swiss taught the world the art of innkeeping. Stay with us in Zurich and see; and from your balcony see the city, the lake and the Alps.

CAIRO — The Pyramids and the Nile are to be seen from the Cairo-Sheraton. If you can tear your eyes away, one of the world's most beautiful and renowned belly dancers stalks regularly in our nightclub. You're the winner. Especially in our lush casino.

Sheraton Hotels
IN EUROPE: AMSTERDAM, BRUSSELS, COPENHAGEN, DUBLIN, FRANKFURT, GENEVA, LONDON, LUXEMBOURG, MADRID, MANCHESTER, PARIS, STOCKHOLM, ZURICH. IN NORTH AMERICA: BOSTON, CHICAGO, DALLAS, DENVER, LOS ANGELES, MIAMI, NEW YORK, PHOENIX, PORTLAND, SAN FRANCISCO, SEATTLE, SINGAPORE, TAIPEI, VANCOUVER. IN ASIA: BANGKOK, BEIJING, HONG KONG, KUALA LUMPUR, MANILA, SINGAPORE, TAIPEI, YOKOHAMA.



CHINESE TEDDY BEAR — This baby panda, born Sept. 8, makes its camera debut. Conceived by artificial insemination, it was one of two born to Chuen Chuen in Peking Zoo. The other, however, died shortly after birth. Photo was released by the Chinese news agency.

In Landmark Court Decision in Brazil

Junta Found Guilty in Newsman Death

By David Vidal

RIO DE JANEIRO, Oct. 29 (NYT) — In a decision of enormous political significance, a federal judge in Sao Paulo has ruled that the Brazilian military government was responsible for the death three years ago of Vladimir Herzog, a journalist widely believed to have been tortured to death while in the custody of the army.

The ruling, likely to emerge as a landmark in the current efforts to restore the rule of law to Brazil, cast strong doubt on the army version of suicide and thus indirectly supported evidence that Mr. Herzog was tortured.

This is the first known incidence in which the Brazilian judiciary has condemned the government in a case involving allegations of torture, and it promises to become a major test of the government's promises for more respect for the independence of judges.

The decision, handed down Friday by Justice Marcio Jose de Moraes of the seventh circuit, grew out of a suit brought against the government by Mr. Herzog's widow and children. It not only charged the government with responsibility, but ordered the government to investigate other charges of torture of political prisoners in the security division of the Second Army headquarters in Sao Paulo.

1975 Death

The federal appeals court must confirm the sentence, which was issued two days after the third anniversary of Mr. Herzog's death. President Ernesto Geisel, who assumed office in 1974 with wide promises to liberalize the now 14-year-old military regime, sacked Gen. Eduardo d'Avila Mello, the Second Army commander, as the result of the public outcry following Mr. Herzog's death in 1975.

That step represented a major move by the Geisel administration toward gaining strict control over the quasi-independent security organs, whose constant violations of human rights had become notorious.

In recent months, some promises for liberalization have been fulfilled, with the lifting of censorship on all newspapers, the approval of a bill to abolish the regime's arbitrary powers and to guarantee the independence of the judiciary, as well as the tacit approval of unusually tough denunciations made by government opponents.

But at the same time, the government has proposed to keep a law on national security which retains the essence of some of the powers abolished in other laws to become effective in January. Also, it has chosen Gen. Joao Baptista Figueiredo, a former chief of national intelligence, whose job gave him intimate knowledge of all the operations of the security apparatus, as the next president.

Broadest Promises

Gen. Figueiredo has made the broadest promises for a return to democracy of any of the last three military presidents. But his choice has produced discontent within certain sectors of the army, including those regarded as hardliners opposed to any move toward liberalization.

The issue of torture is one of the most sensitive to the military government, because of the real threat of divisiveness within military ranks if the law were to be suddenly applied against officers who thought they were following orders by torturing prisoners.

"The sentence went beyond what we expected," Mrs. Clarice Herzog said. "It opens a precedent."

Mr. Herzog, an employee of the Sao Paulo state television station, was approached at his home on the night of Oct. 34, 1975, by two security agents with an order to arrest him. But he appeared voluntarily the next morning at the security section called DOI-CODI at Second Army headquarters. The afternoon of the next day an official communiqué announced his death, and a subsequent investigation by the army asserted that he had committed suicide.

The army, however, never allowed an independent autopsy to be taken.

According to Raymundo Faoro, president of the Brazilian Bar Association, the surprise ruling against the government "juridically establishes that there was no suicide but that there was torture and that the government was responsible for it."

Soviet Director Of Apollo-Soyuz Mission Is Dead

MOSCOW, Oct. 29 (AP) — Konstantin D. Bushuyev, 64, one of the most prominent space scientists in the Soviet Union and director of the 1975 Apollo-Soyuz mission, died Thursday, Soviet television announced yesterday.

Born in a village near Kaluga, Mr. Bushuyev was a specialist in mechanics and machine construction. He was graduated from the Moscow Aviation Institute in 1941, and was appointed head of the designing bureau seven years later. In 1954 he became deputy head of construction, with his main research focusing on applied dynamics and durability of rocket vessels.

Soviet television, revealing aspects of Mr. Bushuyev's career for the first time, said that he developed and created "a number of automatic spacecraft" that were used in the research of the atmosphere, the moon and the planets of Venus and Mars.

Omi Komaki

TOKYO, Oct. 29 (UPI) — Omi Komaki, 84, a Paris-educated novelist who pioneered proletarian literature in Japan, died today of a brain hemorrhage at a hospital in Kamakura, near Tokyo.

Mr. Komaki was graduated from the University of Paris in 1919. After his return from France in 1922, he devoted himself to introducing French literature to Japan.

Protestants Riot In Belfast Jail

BELFAST, Oct. 29 (UPI) — Nine Protestant Loyalist prisoners were injured when rioting flared in a wing of Belfast's maximum security Crumlin Road Jail last night, officials said today.

About 50 prisoners, all Loyalists awaiting trial for terrorist offenses including murder and bombing, barricaded themselves in the recreation room at lockup time, using furniture and fittings to block the doors.

Prison guards who tried to force them out were driven back by a hail of missiles made of broken furniture and doors. The guards withdrew from the wing and the jail governor ordered in a detachment of military police, who charged the barricade and within minutes drove the prisoners back to their cells.

A spokesman said nine prisoners were treated at the jail hospital but none of the police or guards were injured.

'Tortilla Curtain' a Surprising Source of Friction

Mexicans Angered by U.S. Fence Plan

By Alan Riding

MEXICO CITY, Oct. 29 (NYT) — A U.S. decision to rebuild a fence running along a small section of the border with Mexico has provoked a wave of nationalist indignation here that reflects the depth of Mexico's sensitivities over its relations with its powerful northern neighbor.

The controversy over the fence — now tagged "the tortilla curtain" — surprised both Mexican and U.S. officials, who had given little importance to the move to strengthen and extend the fence that separates San Ysidro, Calif., and El Paso, Texas, from Tijuana and Ciudad Juarez respectively.

But Mexican newspapers jumped onto the story, fanning nationalist sentiments by reporting erroneously that the fence would eventually run the entire 2,000-mile length of the border and by suggesting that Washington was clamping down on illegal Mexican migration as a way of pressuring Mexico to sell its oil and natural gas to the United States at below the market price.

With leftist politicians here charging Washington with "diplomatic blackmail," the U.S. Embassy has denied that any plans existed either to build major new barriers along the border or, as reported earlier, to use the U.S. Air Force to monitor the passage of illegal aliens.

An embassy spokesman said that an existing 27 miles of fence would be rebuilt and strengthened and a further six miles of fence would be built in San Ysidro and El Paso, since both these towns have grown rapidly in recent years.

\$1.5 Million Voted

The spokesman added that, while \$2.8 million for this work was approved by Congress in 1976, Congress recently also appropriated \$1.5 million to build a 7.5-mile fence at the border at San Luis Rio Colorado, in the Mexican state of Sonora, south of Yuma, Ariz.

8 U.S. Nazis Jailed

For Chicago Beating

CHICAGO, Oct. 29 (AP) — Eight American Nazis have been sentenced to 18 months of periodic imprisonment in the Cook County Jail for beating a man outside an Israeli bond dinner here.

Circuit Judge Warren Wolfson convicted the men last month on a charge of aggravated battery. On Friday, he ordered the eight to spend week nights and weekends of the first year in jail and weekends only during the last six months of the sentence. The eight were acquitted of an attempted murder charge. They are members of the National Socialist Party of America.

"We're talking about 33 or at most 40.5 miles of fence along the entire border," he said.

The timing of the controversy was nevertheless unfortunate since it coincided with the visit here of two senior U.S. officials — David Newsom, under secretary of state for political affairs, and David Aaron, deputy adviser for national security affairs — who are participating in a study of ways of improving U.S. relations with Mexico.

The study, which is known as Presidential Review Memorandum No. 41 and is expected to be delivered to President Carter by mid-November, contemplates closer coordination between U.S. departments dealing with Mexico so that such issues as energy, immigration and trade can be tackled as a single interrelated "package."

As in the case of the so-called "tortilla curtain," misunderstandings with Mexico have frequently resulted from lack of coordination between different branches of the U.S. bureaucracy.

Hanoi Leaders to Russia

HONG KONG, Oct. 29 (UPI) — A senior-level Vietnamese delegation headed by the Communist Party general secretary, Le Duan, and Premier Pham Van Dong will visit Moscow "in the near future," the Vietnam news agency has announced.



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Burden on a Nobel Laureate

We congratulate Anwar Sadat, who started it all, and Menachem Begin, who responded in kind, for winning the Nobel Peace Prize. Egyptians may feel Mr. Sadat deserved to win it alone, but splitting it emphasizes that peace involves an interaction and not an initiative alone. Wisely, the Nobel Committee cautioned that the prize was given not just to honor what has been done so far but also to spur to completion the process begun in Jerusalem a year ago. Jimmy Carter, we note, got an honorable mention. Americans may be forgiven for thinking that the Egyptian and Israeli leaders would not be Nobel laureates today if President Carter had not drawn their best from them at Camp David.

Everybody notices that the Nobels happened to be announced on a day when a nasty squabble was going on. It will pass.

Since Camp David, it seems to us, President Sadat has acted in a manner befitting a recipient of a Nobel Peace Prize. He has carried his own public, swallowed great abuse from other Arab states, and conducted the follow-up peace talks in Washington with discretion and dispatch and without pushing an undue share of his own political burden upon his partner, Prime Minister Begin. His performance has been in the spirit of Camp David.

As for Menachem Begin, he must cope with heavy political opposition — a task demanding courage on his part and understanding by others. We wonder, though, whether some of us sometimes show a bit too much understanding. The other day Mr. Be-

gin made a gratuitous assertion of Israel's "right" to expand settlements in the West Bank. Mr. Begin claimed a requirement to calm his unreconstructed right — a requirement that must be served, but not exaggerated. He also claimed to be angered by some statements made — out of school, he suggested — to Jordan and West Bank Arabs by an assistant secretary of state. He said this although he knows the statements follow the language used by Jimmy Carter himself to King Hussein.

Mr. Begin knows further that an Arab summit is about to be held and that Mr. Sadat, who would be criticized there harshly anyway, will be undercut even more by an Israeli gesture that seems to confirm the darkest suspicions about Israel's West Bank designs. Even among some Americans, it has to be said, Mr. Begin has raised the question of whether his real policy is not to pocket the Sinai and then to take steps that will render it impossible to tie up the West Bank half of the Camp David package.

We do not share those suspicions. We believe that the forces loosed by Camp David, acting through the procedures laid out there, are virtually sure to produce a West Bank agreement down the road. But history will not unfold by itself. Mr. Begin has an obligation to accept in spirit as well as letter the commitment to a comprehensive settlement made at Camp David. And he must demonstrate his acceptance — most of all to his fellow Nobel laureate.

THE WASHINGTON POST.

Mr. Warnke Steps Down

In stepping down as head of the Arms Control and Disarmament Agency and as chief strategic-arms negotiator, Paul Warnke leaves both enterprises in better condition than they were in when he came aboard. ACDA has won the clear voice in helping set the broad arms-control policy that those who set up the agency intended and that the public interest requires. The SALT talks are reported to be on the verge of producing an agreement. These are substantial achievements in a field where achievements of any sort are hard to come by.

As part of the personal harassment to which he has been regularly subjected, it is being said of Mr. Warnke's departure that he was pushed — that President Carter, in effect, has repudiated him. As it happens, that is false. He is leaving at a moment when, given the uncertain political climate surrounding SALT, it may help the administration to have a less controversial SALT negotiator. But he is leaving by prearrangement for reasons of his own. Far from repudiating him, the president is paying him the ultimate tribute of moving ahead to complete and

then present the very treaty he negotiated. Often hysterically, his critics have tried to paint the cool Mr. Warnke — again, falsely — as some sort of soft unilateral disarmament. They have had neither the grace to concede he was conducting not his own policy but the administration's, nor the stomach to attack President Carter head-on.

As SALT negotiator Mr. Warnke is being succeeded by his deputy, Ralph Earle Jr., an experienced hand without either Mr. Warnke's high political profile or his high prestige. As head of ACDA the president has nominated retired Lt. Gen. George M. Seignious Jr., who used to be, among other things, the Pentagon's chief arms salesman. Now he is to head an agency that was given separate life precisely to institutionalize a nonmilitary approach to national security. We are sure that, for one, Sen. Henry M. Jackson, D-Wash., a foe of Mr. Warnke's, will want to assure himself in the confirmation hearings that the general is the right man for the job.

THE WASHINGTON POST.

International Opinion

Britain and Zambia

The government's decision to fly out British air defense equipment to Zambia, in the wake of the recent Rhodesian airborne attacks against ZAPU guerrilla camps there, bears all the hallmarks of a half-baked, window-dressing operation. As such, it is likely to prove inadequate yet at the same time dangerous. There are serious political implications also, in that the equipment, though nominally for the defense of Zambia, is in fact intended for the defense of Mr. Nkomo's forces which are attacking Rhodesia, a country which the government still regards as a colony under the crown, albeit a rebel one. So Britain will be aiding forces fighting against what is still nominally British territory.

This is a curiously roundabout way of helping to put down the Rhodesia rebellion by force, something which the Wilson government firmly and publicly forewore.

These considerations apart, the operation is likely to prove inadequate because there are simply no Zambians capable of operating or maintaining the equipment being sent. This has been amply shown by the history of the British Rapier anti-aircraft missiles which Zambia already has. They are unusable for lack of maintenance.

The operation is dangerous . . . because it will involve Britain, for the first time, in an open-ended commitment of a military nature, in the Rhodesian fighting. Its political purpose, as Mr. Callaghan no doubt would see it . . . is to preempt pressure on Dr. Kaunda from his fellow African presidents and from Mr. Nkomo, whose forces are armed by Russia, to call in Cuban or East

German advisers. Only events will show if it is enough for that. Window-dressing is not much good if someone throws a brick through the window.

— From the Daily Telegraph (London).

Reality for Ian Smith

[Rhodesian Prime Minister Ian] Smith's tactical successes — diplomatic in the United States, military in Zambia — serve to protect the agony for black and white Rhodesians. The climate and conditions of the Rhodesian plateau are conducive to white euphoria. That state of mind, full of hopeful illusions, produced the Unilateral Declaration of Independence, aborted all attempts at peacefully ending it, and subsequently shaped an internal settlement . . . in which the black participants are seen to lack all the realities of power, while at the same time the basis of white power slowly but inexorably crumbles. The white population steadily falls. Unfortunately, as those who leave are the more realistic, and those who remain are the more prone to euphoria, the last days of UDI are hardly likely to be more rational than the first.

Until the very end, that is, when all euphoria has to fade. Mr. Smith will twist and turn as long as he can . . . but the moment has to come when Mr. Smith or his successor will be forced to act on what Mr. Smith has probably already seen: that both UDI and the internal settlement . . . have failed; that it is neither possible for white Rhodesians to go on ruling, directly or indirectly, nor for them to nominate their black successors . . .

— From the Observer (London).

In the International Edition

Seventy-Five Years Ago

October 30, 1903

PARIS — The long fight against private employment bureaus, which labor unions and working men charge with extortion, resulted in two bloody riots yesterday on the Place de la République and in the streets adjacent to the Bourse du Travail. Thousands of policemen, both mounted and on foot, battled large crowds of workers leaving the Bourse du Travail, where they had discussed the private employment bureaus. In both incidents the police managed to disperse the workers only after combat that involved gun butts, broken bottles, and wooden cudgels.

Fifty Years Ago

October 30, 1928

PARIS — Do we use our leisure time creatively, or as a bunt for excitement to counteract the fatigue of industrialized toil, the New York Herald asked in an editorial. Certainly human nature has not yet had time to adjust itself to the new tempo of the industrialized age. We are unable to relax at will, when leisure beckons, into the unhurried beat of a bygone age. But isn't the Jazz Age a period of transition looking toward a future in which the race will find itself able either to shut its ears to the drums of industry or to gear its creative moments to the frenzied measures of machine activity?



A New View of 'Haves' and 'Have-Nots'

By Hobart Rowen

NEW DELHI — Ever since the fivefold boost in oil prices in 1973 created new burdens for the world's poor nations, there has been a growing sense of confrontation between the haves and the have-nots. Sometimes it is expressed in terms of the "North" versus the "South." More often, the reference is to the "Third World" — a composite of the poor nations as against the capitalist and communist worlds.

But here in the biggest and most diverse of the Third World countries, there is a disenchantment with the confrontation process — which has produced little result — and a desire for what a high official calls "bridge-building."

'Against Everybody Else'

"The 'Third World' idea means that it's us against everybody else, a 'haves' and 'have-nots' mentality forever," this official said to me. Recently, at the United Nations in New York, Minister of External Affairs Atal Bihari Vajpayee tried to put forward the concept that one world is better than three. The inspiration, of course, comes directly from Prime Minister Morarji Desai.

At first blush, it seems like pie in the sky. But in the short space of a year since I was last here, there has been a marked improvement in economic growth and well-being. I

hasten to say that India is still one of the poorest countries in the world, with a per capita income of less than \$150 a year.

But it is making great strides in agriculture and industry, and the anomaly of it all is that India has the world's 10th largest gross national product. The city streets are jammed with cars and trucks. But modern Boeing 737s crisscross the country, and every flight is jam-packed.

What I sense after talks with officials in the Foreign Ministry here, and with the thoughtful chief minister of Gujarat state, B.J. Patel, in Gandhinagar, is that India feels it has a foot in both camps. It may pay lip service to the more strident demands of the Group of 77 — spokesmen for the poor — but it has come to understand that head-to-head confrontation is useless.

"When we talk about cooperation and not confrontation," a national government official told me, "we talk about intra-developing countries' cooperation, and the growth of a new kind of economic relationship with the rich, not just the supply of raw materials for the rich nations' factories."

For their part, if the rich nations wish to avoid confrontation, they will have to abandon the selfish notion of total protection of their less efficient industries, and give the advanced developing nations, like

India, a chance to penetrate the "North's" markets with manufactured goods.

"No lasting solution to the malaise afflicting the world economy can be found until a concerted effort is made to provide adequate purchasing power to two-thirds of the world population," Vajpayee told the United Nations.

It will require, also, more sophisticated ways of transferring technology to developing countries now ready and able to use advanced techniques.

A special Indian strategy, deriving from this country's enormous natural resources, is collaboration with major countries for the development of the poorest of the poor countries. India and Japan, for example, have just concluded an agreement for joint ventures in three countries.

I have learned here, also, that India and the Soviet Union have a joint venture to build a steel plant for Nigeria. In a sense, India is contributing "an export of manpower," as one official put it. There are also new relationships with the Organization of Petroleum Exporting Countries and Iran by which Indian laborers there make substantial positive contributions to India's balance of payments.

What it all amounts to, it seems to me, is that with the advent of OPEC, there was initially a feeling

that the negotiating advantage had moved to the side of the "South." But OPEC — and its oil — was a special case. Similar leverage could not be created for other products.

And in fact, OPEC's failure to provide a price break in oil hurt the developing nations. In a single year, for example, the oil price increase cost India \$1 billion.

Significant Recovery

Now, over the past five years, there has been significant economic recovery in the Third World — with considerable help from international organizations and individual nations.

A small group of advanced developing countries — India, Korea, Brazil, and others — is getting much stronger, and better able to help themselves and each other.

None of this changes the fact that there still exists a horribly deprived group of the poorest of poor countries. Or that here in India, half of 630 million people barely survive below a desperately minimal poverty line.

The notable change is that the Third World in total has grown in strength sufficiently that its continued success is crucial to the prosperity of the rich world — more so than ever before. And that makes collaboration rather than confrontation not merely an option, but the only sensible choice.

The West's Stake in Mobutu's Future

By David Lamb

KINSHASA, Zaire — Several years ago President Joseph Desir Mobutu dropped his Catholic name and assumed the African name of Mobutu Sese Seko Kuku Ngbendu Waza Banga.

The new name, adopted as part of an "authenticity" campaign to help Zaire rediscover its African past, translates as "the all-powerful warrior who, because of his endurance and inflexible will to win, will go from conquest to conquest, leaving fire in his wake."

For both Mobutu and Zaire, those were heady days. The country was living high on copper prices three times higher than those today, and Mobutu, a leopard-skin cap perched jauntily on his head, had caught the fancy of Africa with his authenticity campaign, which included the cancellation of Christmas and his unexpected nationalization of the Belgian-controlled economy.

A Worried Man

Mobutu was good theater. But no more. Today the Guide, as Mobutu likes to be called, is a lone-

ly and worried man. He is ignored by Africa, condemned by the East as the embodiment of capitalistic evils, and supported by the West to the general embarrassment of officials in Washington, Brussels and Paris.

There would have been few tears shed if Mobutu had been overthrown in the aftermath of last May's Shaba province invasion by Katangese rebels. There is, in fact, widespread resentment in Zaire that the West once again came to the rescue of a corrupt, dictatorial and economically incompetent regime.

"How can you keep propping Mobutu up?" an educated Zairian asked a Western diplomat. "I just don't understand what you think you'll lose if you just turned off the tap."

Well, he has held this place together for 13 years, and who else is there around that can do that?" the diplomat replied.

"Do you really think we're that stupid — that there's not a single person in Zaire capable of leading the country?" the Zairian said. "You're falling back on 1960

cliques. They may have been valid then, but this is 1978."

Policies Fail

The disenchantment with Mobutu, 47, a former army sergeant, has grown because nearly every one of his major policy decisions has been a failure, and promises of reform have gone unfulfilled.

The economy that he nationalized is now being de-nationalized. The authenticity campaign has been largely abandoned. The corruption that he promised to end continues unchecked, with Mobutu himself the biggest offender. The army that he pledged to reorganize remains only a mob with guns that preys on the public. The agricultural sector that he vowed to revive still is struggling along at a plodding pace.

In the process, what probably should be the richest non-oil-producing country in black Africa has instead become one of the poorest. Economically and morally, it is bankrupt. Zaire is beset by problems — economic mismanagement, disrespect for individual liberties,

disaffection by Zairians both at home and abroad — that Mobutu is simply incapable of remedying, or is unwilling to remedy.

But to single out Mobutu for contempt, as Africa has done, smacks of hypocrisy. His regime is far less ruthless than that in Uganda. His fortune is not much bigger or his spending much more extravagant than that of the emperor in the next-door Central African Empire. His survival is no more dependent on foreign military assistance than that of the Angolan president. His economy is no more mismanaged than that of Zambia.

Different Rules

Africa, however, has set special standards for Mobutu. Why? Perhaps only because he does not play the game by African rules. He flaunts his wealth rather than denying its existence. He trades openly with South Africa rather than using the back door. He elevates himself to a saintly status in the Zairian hierarchy, with no pretense of subtlety or humility. He does not claim that his people's welfare comes before his own. He does not even pretend to believe that Africa is capable of solving Africa's problems.

Mobutu's good fortune is that his vast, volatile country of 25 million people has immense mineral wealth and stands as an anti-communist barrier between Angola on the Atlantic coast and Mozambique and Tanzania on the Indian Ocean coast.

And although "the all-powerful warrior" neither enjoys many conquests nor leaves much fire in his wake these troubled days, the West remains willing to turn a blind eye to certain indiscretions in return for a stake in Zaire's future.

With Mobutu, the West has at least a known commodity.

Nobel Prize:

The Panel's Timing Was Brilliant

By James Reston

WASHINGTON — The Nobel Peace Prize was given to President Sadat of Egypt and Prime Minister Begin of Israel precisely on the day when they were fussing with one another over the terms of peace in the Middle East. But maybe the Nobel Committee had a good new idea.

Namely, that this honorable award should be made to people, not only for what they had done for peace in the past, but what they might do for it in the future. The timing of the award was not awkward but brilliant. For it reminded both Sadat and Begin that they were engaged together in a historic moment of reconciliation that should not be lost in disputes over less important details.

What Explanation?

How, for example, would they deal with the invitation to go to Oslo on Dec. 10 to receive the Nobel Peace Prize? Could they explain to the world, or even to their own people, that after 30 years of contention and war, they could not settle their major differences because they could not agree about a few Israeli settlements on the West Bank of the Jordan River?

President Carter and Secretary of State Vance have been pleading with Sadat and Begin to concentrate on the possibilities of peace rather than on the difficulties of the moment, and to look to the end of the century. But the Nobel Committee has brought the question down to hard facts for both Sadat and Begin, and is forcing them to decide whether they will concentrate on the larger historic questions of peace in the Middle East with all the risks involved, or concentrate on the politics of the Knesset in Jerusalem and on the divided Arab nations.

It may be ironic that these two old battlers, Sadat and Begin, who have been involved most of their lives in violence, conflict, terror and war, should be proclaimed in their declining years by the Nobel Committee as the apostles of peace.

And yet, there is a certain symmetry and logic to this award. After all, Alfred Bernhard Nobel was a Swedish chemist (1833-1896) who invented dynamite and other nukes. He was educated in St. Petersburg, now Leningrad, and like Robert Oppenheimer and other inventors of the atom bomb, began as he grew older, to doubt the wisdom of blowing up the world. So he used the considerable financial proceeds of his explosives to reward the people who were working for peace and for the development of the human family in literature, chemistry, physics, physiology, medicine and economics. His prizes, in short, were a personal compensation for his inventions.

Example to Follow

The guess here is that it will be surprising if Begin and Sadat do not follow Alfred Bernhard Nobel's example. Both of them have very hard political problems and are being challenged by their opponents at home and abroad.

In the tactical struggle of the peace process, Begin has to deal with the most contentious and glibest parliament in the world, and Sadat has to struggle with a divided Arab world which challenges his philosophy of peace and threatens his life. But they have some things in common, imperious things that may be more important in the end than their differences over the power of land, money, and weapons.

They agree on the financial burden of military weapons: on the agony of poverty in Egypt and taxation in Israel; on the menace of the power and philosophy of the Soviet Union; and finally, on the dangers of war if they cannot agree on some reasonable compromise.

Critical Point

That the Nobel Committee awarded its peace prize to these two men, at this critical point in the Middle East negotiations, when they are being trailed and hauled toward conflict by narrow political considerations, was probably a very important decision.

At least, there is a better chance now that Sadat and Begin will be able to agree on some kind of compromise by Nov. 13 — the anniversary of Sadat's mission to the Knesset in Jerusalem — and go on together to receive their Nobel Peace Prize in Oslo on Dec. 10. This could be a celebration of reconciliation as worthy and practical as any since the Nobel family turned from explosives to peace at the beginning of this century.

Euromarket**Sharp Rise in U.S. Rates Needed To Buoy Dollar, Experts Say**

By Carl Gewirtz

PARIS, Oct. 29 (IHT) — With lenders waiting that there is no end in sight, the dollar took another lurching fall on the foreign-exchange market last week.

Dealers say that only some dramatic action by U.S. authorities can stop the fall, and by this they mean a massive tightening of monetary policy, pushing interest rates up a full percentage point in one step. This is a view echoed by Sumner Redstone, senior economist at Morgan Guaranty Trust.

He argued in a telephone interview that the market is ignoring a "dramatic shift" in the U.S. current-account deficit and until that shift is reversed, a credible monetary policy "is needed to stabilize the dollar." "We probably have to lift the interest rate pattern to a full percentage point. That's the one thing that can be done, in my short-term. Then you really have President Carter means business in fighting inflation."

Turning to the fundamentals, he said that the current-account deficit measuring merchandise trade as well as services — is currently running at about a \$7-billion annual deficit (the deficit for the year is forecast to total about \$19 billion) and at the end of next year this measure of international financial position could be in balance.

Farm Trade Surplus

He notes that agricultural trade, running at a \$6 billion annual surplus, is in the first quarter of this year, registering a surplus of \$15 billion at an annual rate in the latest three months. Trade in manufactured goods, which registered a first-quarter deficit of \$13 billion at an annual rate, was running at a

\$5 billion annual-rate surplus in September. In July, he said, the deficit in this sector was running at an annual rate of \$12 billion and in August it fell to zero — demonstrating that a dramatic change is under way in the U.S. competitive position.

"The trade volume is really moving up," he said, much more than could be expected from the increase in European production in other countries. At the same time, U.S. imports are rising less fast than could be expected in a booming economy.

"The market is ignoring this, and I don't blame it for doing so because there still is a lot of uncertainty. The market has a way to go, maybe not against the dollar but, regardless of whether there is a European monetary system established next year as planned, a further rise of the mark against other EEC currencies is necessary. This, coupled with the uncertainties attendant to creating a new monetary bloc and the fear of a new increase in the price of oil will probably keep the dollar 'wobbly' for the rest of the year, he said.

Meanwhile, Henry Kaufman, the Salomon Brothers economist, warned the American Bankers Association convention in Honolulu last week that the U.S. credit market is about to experience "the most dramatic increase in interest rates since the cyclical rise began in late 1976" due to the government's "ineffective" anti-inflation policy. He forecast that short-term rates could rise 2 percentage points before peaking in mid-1979 at the earliest.

And against this background of plummeting dollar and concerns

Syndicated Bank Loans

PARIS, Oct. 29 (IHT) — Commercial bankers breathed a sigh of relief at the news last week that Electricite de France had abandoned its attempt to drive spreads on syndicated loans below the one-half percent level. But there was no great rejoicing.

The EDF operation — \$600 million for 10 years — merely confirmed that there is a floor below which the majority of international banks are not willing to lend. But at the same time, other, less-prime, borrowers continue to push down their cost of borrowing to get nearer the floor level.

The latest example of this is the Soviet Union's Foreign Trade Bank, which is negotiating to tap the market for \$250 million. The 10-year loan would carry a spread of 3/4 percent over the London interbank offered rate (Libor). This would be the lowest spread for such a long maturity accorded an East-bloc borrower in the current cycle of declining margins.

The previous 10-year loan, for Comecon's International Investment Bank, carried a spread of 1/2 for 30 months and 3/4 over Libor thereafter. The new operation is being treated as a "private placement." Well-informed sources say that five banks will be invited to put up \$20 million and 10 other banks will be asked to take up \$15 million each. The return to the banks will be increased by the addition of a quarter-point front-end fee. However, participating banks will not be able to sell-down, or syndicate, portions of their subscription to others.

Market Segregation

The apparent strategy is aimed at segregating the market, placing Russian debt with specific institutions and thus keeping open the possibility of tapping the lending power of other banks at a later date. Meanwhile, bankers report that the Russians continue to tap the market fairly regularly through what are called "sole lender loans" — arranging medium-term inter-bank deposits with individual institutions.

A number of refinancings are currently being negotiated — including the first for a Brazilian borrower. As that nation's demand for credit is quite huge, the international banks have been courted — with borrowers neither fighting to achieve the lowest possible spreads nor trying to renegotiate terms on outstanding loans. However, Electrobras, which last year arranged a \$250-million, seven-year loan at spreads ranging from 1 1/2 to 2 1/4 over Libor, wants to divide this into 10- and 12-year portions carrying 1 5/16 and 1 7/16 over Libor.

The borrower notes that in present market conditions, a new loan could easily be arranged at 1 1/4 for 10 years and 1 1/4 for 12 years. (Nuclearbar, (Continued on Page 13, Col. 2)

about interest rates — with the six-month Eurodollar rate surging almost a full point during the week to end at 11 1/2 percent — the dollar sector of the Eurobond market continued to be battered by substantial selling and dealer mark-downs aimed at discouraging sales. Some bankers reported institutional investors were nibbling at high-

yielding medium-term bonds, but the entire list was down for the week. One of the biggest losers in the straight market was the CNT 9s of 1993, which ended the week at 93 1/2, down from 97 a week earlier.

The two floating-rate notes on offer during the week were dumped (Continued on Page 13, Col. 4)

Soybeans Soar as Foreign Sales Expected

By Sue Schellenberger

CHICAGO, Oct. 29 (AP-DJ) — Futures traders, anticipating a "mammoth influx of foreign buying" of U.S. soybeans and grains because of the dollar's declining value, sent soybean prices sharply higher last week.

In a week of renewed inflationary fears sparked by skepticism about the Carter administration's new anti-inflation measures and the dollar's repeated beatings on world currency markets, soybean prices were among those of 10 major commodities on six U.S. futures exchanges that exceeded previous life-of-contract highs.

Bursting through last week's season highs by more than 20 cents for 10-month contracts, soybeans set the most volatile in price of the farm commodities, gained from 30 to 47 1/2 cents a bushel to close at \$7.17 1/2 for November delivery.

Wheat also exceeded life-of-contract highs in four of the six months traded, with gains of 12 1/2 to 26 1/2 cents a bushel, to close at \$3.64 1/2 for December delivery.

Likened to 1972

Traders likened the strong bullish mood at the Chicago Board of Trade, where trading volume set a record Thursday, to sentiments they said were dominant about six years ago, when soybean prices exceeded \$12 a bushel.

"It's a trader's nightmare," an analyst said.

Analysts said anticipated heavy harvest-time sales of corn, soybeans and wheat, which were awaited on the futures market for as long as five weeks, still have not materialized. And, said the analysts, traders have begun to suspect that the heavy sales never will materialize — that farmers have sufficient stor-

age space to sell their produce as slowly as prices warrant. Wheat stocks at major shipping points including Toledo, Duluth and Chicago were drawn unusually low by export shipments, and cash prices for grain at New Orleans were sharply higher during the week.

"These increases will put prices

above \$7 to the farmer in the country tonight," said one analyst after Friday's close. "If that doesn't start the grain moving, then watch out. We're still trading in dollars, and we could see \$8 beans."

The dollar decline also led to predictions that exports priced in dollars, and therefore cheapened, would attract more foreign buyers.

"There is a general fear abroad that the next step is wage and price controls, or possibly foreign-exchange controls," another analyst said. "So if foreign buyers are holding onto useless dollars, they're running out to buy commodities with them."

Those sentiments were buttressed by short-term government reports that soybean exports and processing continue at high levels. Wheat export demand was reported brisk, despite evidence that cheaper French, Argentine and Australian wheat was the first choice of at least two foreign nations last week. Commercial buying in both soybeans and corn fueled widespread rumors of new Chinese purchases that remained unconfirmed.

For the week, corn was 6 1/2 to 13 1/2 cents higher, December \$2.39.

Other futures prices were sharply higher. The major metals futures on the New York Commodity Exchange and the New York Mercantile Exchange — gold, silver, copper and platinum — all exceeded life-of-contract highs, with platinum gaining more than \$30 an ounce for the January delivery, to close at \$374.90.

Most profound in its impact on the market was President Carter's announcement Tuesday of his package of wage and price standards, which skeptical traders criticized as inadequate.

After many commodity prices soared on that news, the release of a smaller-than-expected U.S. trade deficit report of \$1.69 billion for September briefly weakened gold futures and strengthened the dollar.

But despite central bank intervention on behalf of the dollar, news of a 0.8 percent increase in the consumer price index and a snowballing increase in the prime (Continued on Page 13, Col. 2)

New York Stock Market

By Jack Egan

NEW YORK, Oct. 29 (WP) — The stock market finished last week in a total rout, continuing the broad-based decline that analysts can remember.

Friday's drop of 15.07 in the Dow Jones industrial average put the week's loss at 31.96 points, to close at 806.05.

For the last two weeks, the decline totals 91.04 points, a retreat of more than 10 percent.

"People are taking out their record books to see if there is anything worse in such a short period of time, and it's hard to find anything," said Newton Zider, vice president for market research at E.F. Hutton. "To have two weeks back to back like this is probably unprecedented."

While the decline in the 30 Dow industrials has been demoralizing, they have outperformed the rest of the market, which has seen about 10 times as many stocks dropping as advancing.

Friday, on a volume of 39.4 million shares, only 175 issues gained on the New York Stock Exchange while 1,480 stocks declined.

Plunging Dollar

The market has been dogged with worries over the plunging dollar, rising inflation and surging interest rates for the last two weeks.

But analysts are attributing the continued descent in stock prices — with only one advance in the last 10 sessions — to technical factors more than to the sour news background.

The severe damage to the so-called secondary stocks, or companies with smaller capitalizations, is apparently continuing because customers who bought the shares on debt are getting margin calls from their brokers. And instead of putting up extra money, they are selling out their positions, adding to the downward pressure on prices.

"There's forced liquidation going on here, and there's no indication that it's run its course," said Michael Metz, a vice president in the trading department at Oppenheimer Co. "The dollar, interest rates and inflation (Continued on Page 13, Col. 1)

Over-Counter Market

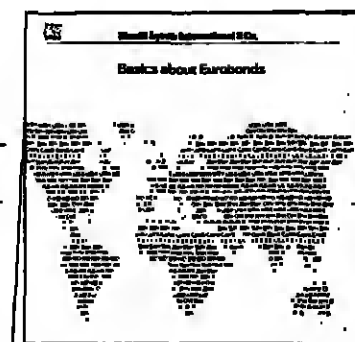
Sales In	100s	High	Low	Last	Chg	Net
Amalgamated	561	21	17 1/2	17 1/2	— 3/4	
Amalgamated	341	8	5 1/2	5 1/2	— 1/4	
Amalgamated	56	4 1/2	4 1/2	4 1/2	— 1/4	
Amalgamated	3114	4 1/2	4 1/2	4 1/2	— 1/4	
Amalgamated	468	2 1/2	2 1/2	2 1/2	— 1/4	
Amalgamated	2980	2 1/2	2 1/2	2 1/2	— 1/4	
Amalgamated	431	1 1/2	1 1/2	1 1/2	— 1/4	
Amalgamated	211	1 1/2	1 1/2	1 1/2	— 1/4	
Amalgamated	120	1 1/2	1 1/2	1 1/2	— 1/4	
Amalgamated	454	1 1/2	1 1/2	1 1/2	— 1/4	
Amalgamated	197	1 1/2	1 1/2	1 1/2	— 1/4	
Amalgamated	887	2 1/2	2 1/2	2 1/2	— 1/4	
Amalgamated	785	1 1/2	1 1/2	1 1/2	— 1/4	
Amalgamated	421	1 1/2	1 1/2	1 1/2	— 1/4	
Amalgamated	354	1 1/2	1 1/2	1 1/2	— 1/4	
Amalgamated	276	1 1/2	1 1/2	1 1/2	— 1/4	
Amalgamated	405	1 1/2	1 1/2	1 1/2	— 1/4	
Amalgamated	434	1 1/2	1 1/2	1 1/2	— 1/4	
Amalgamated	528	1 1/2	1 1/2	1 1/2	— 1/4	
Amalgamated	125	1 1/2	1 1/2	1 1/2	— 1/4	
Amalgamated	83	1 1/2	1 1/2	1 1/2	— 1/4	
Amalgamated	113	1 1/2	1 1/2	1 1/2	— 1/4	
Amalgamated	120	1 1/2	1 1/2	1 1/2	— 1/4	

Free Booklet Explains Characteristics and Investment Advantages of Eurobonds.

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In short, the booklet answers those questions most frequently asked by investors. It clearly explains the new terminology that has grown up around the Eurobond market — carefully relating the new terms to those with which investors are already familiar in the markets of their own countries.

The booklet is designed to assist investors who have decided to take a broader, more international view — as



well as current Eurobond investors who wish to increase their knowledge about this important, fast-growing field without charge or obligation.

We believe you will find the booklet a valuable source of reference, as it contains a wealth of information which is difficult to find elsewhere.

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Yamaichi International (America), Inc.

New Japan Securities International Inc.

Nippon Kogyo Kokumaru International, Inc.

October 30, 1978

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QuaStO 9x95	99	StOIn 7x97	99		
RCA 4x96	100%	StOCh 7x99	95%		
RCA 4x97	99%	StOCh 8x00	93%		
RoinB 9x95	101%	StOCh 7x97	96%		
RoipP 5x00	99%	StOCh 8x01	97		
Roinn 5x94	72	StOCh 6x98			
Roinn 10x00	98	StOCh 7x99	96%		

Foreign Bonds

Asian 8x90	96%	Eurin 8x92	97
Asian 9x96	96%	Eurin 9x95	97
Austl 5x00	97	Eurin 9x98	97

September, 1978

U.S. \$30,000,000

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American Exchange Options

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Bengals, Cardinals Win First With Upsets of Oilers, Eagles

From Wire Dispatches
CINCINNATI, Oct. 29 — Ken Carson's passing and a 65-yard kickoff return by David Mackey set up three short-yardage touchdowns as the Cincinnati Bengals halted a club record nine-game losing streak today with a 28-13 upset of the Houston Oilers.

Liback, Pete Johnson scored from the one and Anderson wide receiver Isaac Curtis on a 10-yard scoring pass as the Bengals won a touchdown drought that had lasted 13 games.

The Bengals, gambling all the broke open a 7-0 battle with touchdowns in the third quarter, now 1-8, had gone 10 games without scoring a touchdown.

Anderson, back in form after a hamstring injury, had 143 and 57 yards to set up two touchdowns. Both came after new coach Horne elected to go for first on fourth and one situation he go for it.

Cincinnati, shut out in two of its previous games, relied on a defense early before allowing a fourth-quarter touchdown pass by Dan Pastorini. He tied on a 16-yard scoring pass by Ken Burroughs and added a

six-yard touchdown pass to Mike Renfro with 2:03 left.

Cardinals 16, Eagles 10

At Philadelphia, Jim Hart, a surprise starter, passed for 223 yards and a touchdown in the first half today and the St. Louis defense preserved the lead in the second half to give the Cardinals their first victory of the season, 16-10, over the Philadelphia Eagles.

The victory was the first in the league for 62-year-old Bud Wilkinson, who returned to coaching this year after a 15-year absence and had suffered through eight straight defeats.

Hart, who suffered a shoulder separation two weeks ago and was listed as doubtful for today's game, completed 9 of 13 passes in the first half, including a 55-yard scoring pass to rookie wide receiver Dave Stief in the second quarter. His passing also set up a 7-yard touchdown run by Jim Ots earlier in the period.

Patriots 55, Jets 21

At Foxboro, Mass.: Steve Grogan threw four touchdown passes in a 41-point first-half blitz that sent the New England Patriots to their sixth straight victory, a 55-21 rout over the New York Jets.

New England, 7-2, scored on

each of its first six possessions in the first half, rolling up 375 total yards to the Jets' 58. The Patriots finished with 526 yards in total offense, a team record.

Horace Ivory and Harold Jackson each scored two touchdowns before intermission while James McAlister scored two second-half touchdowns. Grogan, enjoying his finest day as a pro, finished with 15 completions in 19 attempts for 282 yards, all in the first half.

The Jets scored on a 1-yard run by Bruce Harper in the first quarter and on 2-yard and 3-yard runs by Tom Newson in the fourth period.

Steelers 27, Chiefs 24

At Pittsburgh, safety Donnie Shell returned a fumble 17 yards for his first pro touchdown to help the Pittsburgh Steelers withstand a second-half rally by the Kansas City Chiefs and score a 27-24 victory.

Shell's recovery of a Horace Belton fumble with 27 seconds left in the third quarter came after the Chiefs had rallied for two touchdowns in the first 4 1/2 minutes of the second half to close within 20-17.

The Chiefs scored again with 1:56 left in the game on a 2-yard run by Arnold Morgado and tried to regain possession with an onside

kick, but Jack Ham fell on the ball on the Kansas City 45 and the Steelers ran out the clock.

Browns 41, Bills 20

At Cleveland, Brian Sipe threw three touchdowns passes and Mike Pruitt ran for two scores to lead the Cleveland Browns to a 41-20 victory over the Buffalo Bills.

Sipe connected with wide receiver Reggie Rucker on touchdown passes of 16 and 44 yards and threw a 15-yard scoring pass to Calvin Hill. Pruitt scored on a 71-yard dash from scrimmage and a 1-yard plunge.

Sipe hit on 12 of 15 passes for 271 yards and Pruitt ran 21 times for 173 yards for his best game as a pro.

Redskins 38, 49ers 20

At Washington, Billy Kilmer passed for two touchdowns in his first start of the season and John Riggins ran for two scores to carry the Washington Redskins to a 38-20 triumph over the San Francisco 49ers.

Kilmer, starting in place of Joe Theismann, completed 12 of 23 passes for 185 yards, including touchdowns of 50 yards to Danny Buggs and 17 yards to John McDaniel.

Riggins' scores came on a pair of 1-yard runs. Rookie Tony Green added a 1-yard scoring run in the fourth quarter and Mark Moseley kicked a 26-yard field goal with 2:19 to play for the Redskins' highest point total in three seasons.

Paul Horer and Greg Boykin each ran 2 yards for 49er touchdowns and Ray Wersching kicked field goals of 29 and 35 yards, both in the second quarter.

Packers 9, Bucs 7

At Green Bay, Chester Marcol kicked a 48-yard field goal with 41 seconds left to give the Green Bay Packers a 9-7 victory over the Tampa Bay Buccaneers.

The victory gave the Packers, the NFC Central Division leaders, a 7-2 record. The Bucs fell to 4-5.

The Packers scored in the first quarter on a 2-yard run by Terrell Middleton. The extra-point attempt failed.

The Buccaneers took the lead in the third quarter on a 1-yard run by Ricky Bell and the conversion kick by Neil O'Donoghue.

Marcol's field goal, his longest this season, capped a 32-yard drive that included an 85-yard pass from David Whitehurst to Steve Odell on a fourth-and-10 play from the Tampa Bay 47 with 1:25 left.

Lions 21, Bears 17

At Chicago, Gary Danielson passed for 190 yards and two touchdowns to lead the Detroit Lions to their second straight victory, a 21-17 triumph over the Chicago Bears.

It was the sixth straight loss for the Bears, their longest losing streak since they closed the 1973 season with six straight defeats. The Detroit victory left both teams tied for last place in the NFC Central Division.

Danielson completed nine of his first 10 passes, including eight in a row. He hit Jesse Thompson for 8 yards and one score and connecting to David Hill for 2 yards and his second touchdown. Horace King ran 1 yard for Detroit's first score.

Saints 28, Giants 17

At New Orleans, Archie Manning came out slinging, throwing for two touchdowns passes and rallying the New Orleans Saints from a 10-point deficit to a 28-17 victory over the New York Giants.

Manning had thrown only a dozen times in two previous games for New Orleans, but he put the ball in the air 21 times, completing 13 of his attempts.

His touchdown passes, both in the fourth quarter to tight end Henry Childs, went for one yard and three yards.

Other New Orleans scores came on a one-yard run by Chuck Muncie and a 20-yard run by Tony Galbreath.

New York scored on a blocked punt recovered in the end zone by Maurice Tyler, a 50-yard field goal by Joe Danelo and a one-yard run by Larry Conka.



Elena Mukhina, right, and Nelli Kim hold aloft bouquets after they placed first and second in the gymnastic championships.

Formula One Rules Toughened for '79

PARIS, Oct. 29 (AP) — Tight new rules for participation in the 1979 Grand Prix season, announced here by the Formula One ruling body, will eliminate semi-amateur teams and wealthy but unqualified drivers who can buy a seat.

They will also eliminate the practice of letting a local driver try his luck in his national race.

All tracks will be limited to 26 cars in official qualifying for 24 starting places, except at Monaco where it will be 24 and 20 because of the narrow streets. Others will have to qualify beforehand for the official practice sessions.

All drivers and race car constructors will be judged by the International Sporting Commission, the ruling body, for professional competence and financial stability.

They have to agree to compete in all 16 Grand Prix races next year, starting Jan. 21 in Argentina and ending Oct. 7 at Watkins Glen, N.Y. Absence from a race, without reasons acceptable to an inquiry committee, will mean automatic exclusion from the rest of the season, the commission said.

It is calling on all national auto clubs to submit by Nov. 16 a list of drivers and constructors they consider qualified. The drivers must be Formula One license and if they did not finish in the first six in any race this year to score championship points, they will have to submit their full competition record to see if they meet Formula One standards.

If they are not contracted with a

recognized team by Dec. 1, when the list will be announced, they will be put on a reserve list.

Teams must submit the number of cars they intend to enter and the names of the drivers.

If a team is not a member of the Formula One Constructors Association, which groups most existing teams, the team will have to deposit a \$30,000 guarantee with the commission before Jan. 1.

Umpires Drop Labor Dispute With Baseball

PHILADELPHIA, Oct. 29 (AP) — Major league baseball umpires have withdrawn charges of unfair labor practices against team owners, ending a dispute that included a one-day walkout in August.

The umpires' association struck because the owners would not renegotiate the umpires' contract. The walkout was ended by a federal judge's back-to-work order.

The regional director for the National Labor Relations Board, Peter Hirsch, said that his agency would have dismissed the complaint because it found the existing contract between the umpires and the leagues was valid.

The 52 umpires had sought, through the NLRB, to compel the leagues to reopen negotiations on such issues as expense accounts, salaries, job security and vacations.

But Hirsch said the issues were addressed adequately in the present contract. Before the NLRB could issue a formal ruling, however, it received a letter from the umpires asking that the case be dropped.

Richie Phillips, the umpires' attorney, said the complaint was withdrawn because "now that the season is over the matter is kind of moot."

Greek Soccer Team Defeats Hungary, 4-1

SALONIKA, Greece, Oct. 29 (AP) — Scoring all its goals in the second half, Greece defeated Hungary, 4-1, here today in European championship soccer competition.

The field, covered by puddles from two days of heavy rain, made ball control for both sides extremely difficult and the score was 0-0 at halftime. But the Greeks adjusted and with short, close passes began breaking through the tight Hungarian defense.

McGinnis Fined

ATLANTA, Oct. 29 (UPI) — Denver forward George McGinnis has been fined \$250 for confronting a 16-year-old fan after a game against the Atlanta Hawks last week, the National Basketball Association said. McGinnis said he was angered by racial slurs the youth made during the game.

Transactions

HOCKEY
 Montreal's hockey league NHL suspended Wilf Paiement, right wing, Colorado Rockies indefinitely pending a final review. Suspended forwards John Westrik of the Boston Bruins and Dave Bessert of the St. Louis Blues for two games.

ST. LOUIS BLUES—Recalled Bob Hea, defenseman, from Salt Lake City of the Central Hockey League.

LOS ANGELES KINGS—Sent Scott Gorman, right wing, and Doug Hayward, defenseman, to Springfield of the American Hockey League.

MINNESOTA NORTH STARS—Recalled Jean Polvin, defenseman, and Pete LaPresi, goaltender, from Oklahoma City of the Central Hockey League.

PHILADELPHIA FLYERS—Sent Danny Luzzi, right wing, to the Maine Mariners of the American Hockey League.

World Team Tennis
 WTT—Announced suspension of operations of the Boston and New York franchises.

17 of 38 Medals Russians Sweep Gymnastic Titles

STRASBOURG, France, Oct. 29 (AP) — The Soviet Union resoundingly asserted its domination of gymnastics by taking 17 of the 38 medals at the world championships ended here today.

The Soviet blitz comprised the women's team gold, the men's team silver, the men's combined gold and bronze, all three women's combined medals and 10 individual apparatus medals.

But beyond the Soviet monopoly, the world championships marked the emergence of the United States into international gymnastics and saw the decline of the heroine of the Montreal Olympics, Nadia Comaneci of Romania.

The United States' new promise showed first in the team events, with the men finishing fourth and the women fifth. Then today Kurt Thomas of the United States executed a near-flawless routine to take the gold medal in the floor exercises.

Thomas' gold medal was the first for the United States in gymnastics since the 1952 Olympic Games in Los Angeles. Later in the day, the United States won its second, and its first in women's competition, when Maria Frederik triumphed on the uneven bars.

Thomas, 22, earned 16.650 of a possible 20 points to outdistance Shigeru Kasamatsu of Japan, who was second with 15.975 points. Alexander Ditiatin of the Soviet Union took the bronze medal with 14.900 points. Entering the individual apparatus competition today with a 9.75 aggregate, Thomas recorded the highest score of the day with 9.90 points.

In other events, Zoltan Magyar of Hungary took the gold medal in the pommel horse event, with Eberhard Gienger of West Germany second and Suman Delchev of Bulgaria third.

Magyar scored a 9.90, which together with his previous aggregate of 9.90 made him unbeatable with a total of 19.800. Gienger scored 19.425 and Delchev 19.400.

Second Medal of Day

Nikolai Andrianov of the Soviet Union won the gold medal in the rings event with a total of 19.700. Second was another Russian, Ditiatin, with 19.675, for his second medal of the day. He took the bronze in the floor exercises.

Danuta Greta of Romania took the bronze medal with 19.650.

Junichi Shimizu of Japan won the gold in the vault, with Andrianov second and Ralph Bathel of East Germany third.

Shimizu, who did not even qualify among the top 36 gymnasts in Friday's men's combined exercises, scored an excellent 9.90 for a total of 19.600. Andrianov scored 19.575 and Bathel 19.550.

Eizo Kenmotsu of Japan, the silver medalist in the combined, took the gold in the parallel bars event, with 19.600, and Andrianov and Hiroji Kajiyama of Japan tied for second with 19.575.

Kasamatsu of Japan took a gold medal to the high bar event, the last men's event, to add to his silver in the floor exercises. The silver in the high bar went to Gienger of West Germany, who also scored a silver on the pommel horse.

Tied for third were Delchev of Bulgaria, who won a bronze in the pommel horse event, and Gennadi Krystov of the Soviet Union. The scores were 19.675, 19.650 and 19.600.

Backlog Hurts

In the women's individual events, Nelli Kim of the Soviet Union took the gold medal in the vault, beating Comaneci. Kim scored 19.625, to 19.600 for Comaneci. The bronze went to Steffi Kraker of East Germany, with 19.550.

Rhonda Schwandt of the United States had the highest score, a 9.90, but could not overcome her backlog from the earlier events, and finished fourth with 19.525.

The United States' second medal was won by Frederik with a near-perfect 9.95 on the uneven bars. That gave her a winning aggregate of 19.800.

The silver medal went to Elena Mukhina of the Soviet Union with 19.725 and the bronze to Emilia Eberle of Romania with 19.625.

Comaneci took her first gold medal here in the beam event with 19.625 points.

The silver went to Mukhina with 19.600 and the bronze to Eberle with 19.575.

Natalia Shaposhnikova, the Soviet bronze medalist in the combined and leader going into the beam event, lost her balance several times and scored only a 9.0, compared to Comaneci's 9.80.

Kim and Mukhina shared the gold in the final event, the floor exercises, with Kathy Johnson of the United States sharing third place with Eberle. Kim and Mukhina scored 19.775 and Johnson and Eberle 19.525.

Yesterday, Soviet women gymnasts eclipsed Comaneci to sweep the three top places in the individual combined exercises at the championships. The sweep in the individual exercises followed the Soviet victory in the women's team event earlier last week.

Started at the Top

Defeat is rare for Comaneci. In her first year in international competition, she won the European title in 1975, and had dominated the world elite ever since, winning three gold medals at the 1976 Olympic Games.

But yesterday Mukhina, 18, took the gold medal with an aggregate of 78.725 points. Kim, 20, staged a remarkable comeback from fifth place to take the silver medal with 78.575 points. The bronze medal went to their teammate, Shaposhnikova, 17, with 77.875 points.

Comaneci was fourth with 77.725 and her teammate, Eberle, finished fifth with 77.300. Vera Cerna of Czechoslovakia finished sixth with 77.025 points, followed by Kraker of East Germany with 76.950.

Comaneci, 16, seemed distracted and uninspired from the start. She coughed several times and fidgeted nervously with her fingers moments before leaping up on her first exercise, the uneven bars, in which she won the gold medal at the 1976 Games with a perfect score of 10.

Twenty seconds into her routine, her hands missed the high bar and she fell to her knees on the mat, touching off a gasp from the capacity crowd of 8,000 spectators in Strasbourg's Rhénus Hall.

She gracefully climbed back on the bars and finished with a 9.25 — including an automatic 0.5 penalty for falling. It was her lowest score in the four exercises.

In her second exercise, the beam — which also brought her a perfect-10 gold medal in Montreal — she mounted with all eyes fixed expectantly on her.

She slipped and twisted, landing on the spruce beam with a loud thump that echoed across the hall. Although fanciful, it was an unambiguous routine for which the judges awarded her 9.80 points.

The Soviet gymnast won five scores of 9.90 and two near-perfect 9.95s. No competitor was given the perfect 10 in any exercise.

NHL Suspends Paiement

MONTREAL, Oct. 29 (AP) — Right wing Wilf Paiement of the Colorado Rockies has been suspended indefinitely pending a final review of facts surrounding a match penalty he received in a game last week, the National Hockey League announced.

Brian O'Neill, the league's executive vice president, held a preliminary hearing into Paiement's case in Toronto and said the review would include a medical report on Dennis Polonich, a Detroit Red Wing forward who was struck in the face by Paiement's stick and is hospitalized in satisfactory condition.

There was no videotape available of the stick-swinging incident at Detroit, but O'Neill viewed tape of

NHL Standings

CAMPBELL CONFERENCE

Team	W	L	T	Pts	GF	GA
Atlanta	7	2	16	32	28	28
NY Rangers	4	5	11	22	37	37
NY Islanders	4	2	10	24	30	25
Philadelphia	3	3	8	22	19	27

Smythe Division

Team	W	L	T	Pts	GF	GA
Chicago	3	1	9	27	25	25
St. Louis	2	4	7	21	23	32
Vancouver	2	5	7	21	33	42
Colorado	2	6	5	21	21	41

WALSH CONFERENCE

North Division

Team	W	L	T	Pts	GF	GA
Detroit	4	2	11	34	27	27
Montreal	4	3	11	32	34	32
Los Angeles	4	4	8	30	27	27
Washington	1	4	2	20	23	33
Pittsburgh	1	5	2	24	24	34

Adams Division

Team	W	L	T	Pts	GF	GA
Boston	4	2	14	43	34	24
Toronto	4	2	11	34	25	25
Buffalo	4	3	1	29	25	25
Minnesota	1	4	2	19	25	35

Friday's Results

Atlanta 8, NY Islanders 2
 Detroit 7, Chicago 2
 Boston 5, Toronto 3
 Detroit 7, St. Louis 7 (tie)
 Colorado 1, Minnesota 0
 Los Angeles 3, Washington 1



Back Rick Troceno of Pittsburgh is sacked, not to say nudged, by Phil Hedrick of Navy.

undefeated Navy Topples Pitt

POLIS, Md., Oct. 29 — Navy, sparked by the leading defensive unit, without a first the ground until the third quarter, the Panthers' goal line to win their football game, 21-11, here today.

Navy put Navy back in the in college football. In its first game against a major power, Navy showed that it ranked in or near the top of the school has not lost 15 years.

Navy's seventh straight win pleased a stadium crowd of 32,509. Phil recovered a fumble for down, Bob Leszynski yards to Curt Gainer for and fullback Larry smashed over from the 3rd.

Others scored on Mark 28-yard field goal in the first and Fred Jacobs' 37th 641 to play.

Headed Pittsburgh sophomore back Rick Troceno to times and then sent its line after him. He was even times for 65 yards piling 25 passes for 275

LA 24, Arizona 14

Angels, tailback Freddie scored on a 44-yard second quarter to help in Arizona, 24-14.

For McNeil's twisting run, UCLA was made business-like in scoring straight victory to record to 7-1. Theouts the Bruin ground game, rushing on 21 carries, McNeil picked up 104 yards.

Two-touchdown favor; at halftime and Arizona, did not score until after.

42, California 17

Angels, Paul McDonald four touchdowns, three Kevin Williams, and rushed for two scores in California to a 42-17 triumph.

ry gave the Trojans a 6-13-1 in the Pac-10 Conference them on a collision with UCLA in the race to the Bowl. USC and the leads the Pac-10 at Nov. 18.

42 Minnesota 10

Arbor, Mich., Rick three touchdowns pass and Big Ten records

and scored twice on rushes in leading Michigan to a 42-10 victory over Minnesota.

Minnesota could manage just a 20-yard field goal by Paul Rogind with 6:53 left in the first half and a meaningless fourth-quarter touchdown. The Wolverine defense gave up just two first downs in the first half and kept the Gophers bottled up throughout most of the contest for the Little Brown Jug.

The touchdowns involving Leach left him just three short of the NCAA record of 73.

He hit senior tight end Gene Johnson with a 14-yard pass on Michigan's second possession, giving him 201 completions for his four-season career, a school record. His three scoring tosses, two of them to wing back Ralph Clayton, pushed his Big Ten total to 39 and surpassed the record of 37 by Mike Phipps of Purdue. Leach ended the game with 9 completions in 13 attempts for 144 yards.

Penn State 49, West Virginia 21

At Morgantown, W.Va., Penn State, trailing by 14 points after the first four minutes, rallied behind a blocked punt, an 85-yard punt return for a touchdown by Mike Guman and a pass interception to overwhelm West Virginia, 49-21, and remain undefeated in eight games.

West Virginia, 1-7 and the first team in the school's history to lose seven in a row, surged to a 14-0 lead on an 11-yard pass from Dutch Hoffman to Rich Duggan and a 13-yard run by Dane Coowell. But the Nittany Lions got rolling when Joe Salley blocked a punt at the West Virginia 36 to set up Penn State's first touchdowns, a 1-yard run by Matt Suhey.

Browns 31, Holy Cross 25

At Providence, R.I., quarterback Mark Whipple threw two touchdowns passes and ran for two more to spark Brown to a 31-25 upset over previously unbeaten Holy Cross.

Whipple threw scoring passes of 31 yards to Barry Blum and 28 yards to Mark Farnham and scored on two short runs. Tad Burrows kicked a field goal to open the scoring and Brown, 4-2, moved to a 10-0 lead nine minutes later, when Whipple scooted around left end from two yards out.

Houston 29, Arkansas 9

At Houston, quarterback Danny Davis rallied Houston with three touchdowns to lead the Cougars to a 20-9 upset victory over Arkansas.

Davis threw a 4-yard touchdown pass to Willis Adams, and halfback Randy Love scored on runs of 1 and 14 yards as Houston won its sixth straight to keep pace in the Southwest Conference race with Texas.

Arkansas, 4-2 for the year, lost its second straight SWC game despite rolling to 10 first downs in the first quarter and taking a 9-0 lead in the first 17 minutes.

Oklahoma 56, Kansas State 19

At Norman, Okla., Billy Sims rushed for 202 yards and two touchdowns and reserve quarterback J.C. Watts also scored twice to pace Oklahoma to a 56-19 victory over Kansas State.

Sims, whose first touchdown on a 21-yard run boosted his season rushing total to an even 1,000 yards, also scored on a 2-yard run later in the first quarter.

NBA Standings

EASTERN CONFERENCE

Atlantic Division

Team	W	L	Pct.	GB
Philadelphia	5	1	.833	—
Washington	4	2	.667	1 1/2
New York	4	4	.500	3 1/2
New York	4	4	.500	3 1/2
Boston	4	4	.500	3 1/2

Central Division

Team	W	L	Pct.	GB
Houston	5	1	.833	—
Cleveland	3	3	.500	2 1/2
San Antonio	2	4	.333	3 1/2
Atlanta	2	4	.333	3 1/2
San Diego	2	5	.286	4 1/2
Detroit	2	5	.286	4 1/2

WESTERN CONFERENCE

Pacific Division

Team	W	L	Pct.	GB
Denver	5	2	.714	—
Portland	4	2	.667	1 1/2
Golden State	4	3	.571	2 1/2
San Diego	4	3	.571	2 1/2
Chicago	4	3	.571	2 1/2

Friday's Results

New Jersey 123, Cleveland 100
 Detroit 107, Kansas City 102
 Phoenix 115, Chicago 116 (OT)
 Indiana 112, Denver 99
 Golden State 112, Washington 82
 Los Angeles 113, San Diego 101
 Seattle 98, New York 95

Saturday's Results

New Jersey 111, Boston 109
 New York 111, Indiana 102
 Atlanta 114, Chicago 92
 Philadelphia 101, Houston 99
 San Antonio 105, Detroit 102
 Kansas City 112, Phoenix 101
 Portland 106, Milwaukee 95

Minnesota Football Team Loses A Record 40th Consecutive Game

ST. PAUL, Minn., Oct. 29 (AP) — Macalester College set a National Collegiate Athletic Association record for consecutive football losses here yesterday, losing 44-0, to St. John for its 40th straight defeat.

The loss snapped the NCAA record of 39 held jointly by Macalester and St. Paul College of Virginia.

"The record is something we'd just as soon not have been a part of," said Clint Ewald, Macalester's coach. Now in his third season, he has a 0-24 record.

St. John's, the four-time Minnesota Intercollegiate Athletic Conference champion, scored on the first play from scrimmage when running back Mark McCullen went 72 yards for a touchdown.

Macalester, winless since September, 1974, and 0-7 this season has been outscored, 286-27, in six league games this year.

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